North America Data Center Report

Another record performance despite some uncertainty

Research

North America

Midyear 2025

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Key highlights

Supply and demand trendlines remain intact, despite market turbulence in H1

DeepSeek, tariff implications and hyperscalers walking away from leases created significant uncertainty in H1. Despite this, the sector maintained momentum and delivered a fresh set of records.

Vacancy declines to a new record low of 2.3%, strong preleasing will suppress vacancy through 2027

Colocation vacancy is constraining economic growth and undermining national security. The construction pipeline of 8 GW is 73% preleased, signaling that vacancy will remain restrictive for the next few years.

Demand remains concentrated in core markets, led by Northern Virginia and Dallas

With vacancy near 0%, virtually all absorption is the result of preleasing. A market's ability to capture demand relies on the size of the development pipeline and product available for lease.

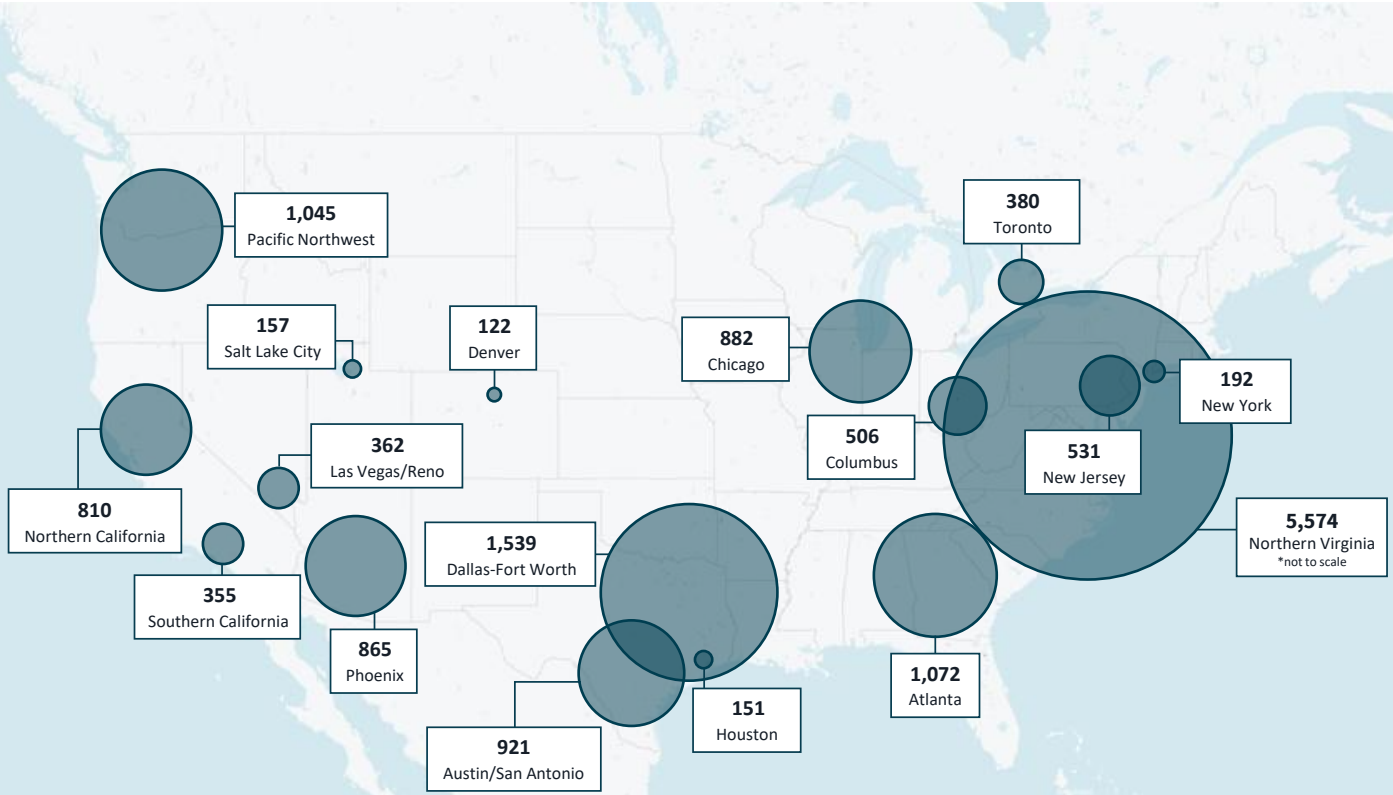
North America could see $1 trillion of data center development between 2025 and 2030

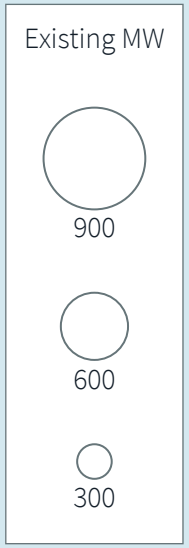
More than 100 GW of capacity (colo + hyper) could break ground or deliver between 2025 and 2030. There is strong investor appetite to fund development. Projects under construction are 73% preleased.

01

Leasing Dynamics

North America colocation markets





Midyear 2025 North America colocation statistics	
Inventory	15.5 GW
Vacancy	2.3%
H1 2025 absorption	2.2 GW
H1 2025 completions	1.6 GW
Under construction	7.8 GW
U/C % preleased	73%
Planned pipeline	31.6 GW
Average rents	($/kW/mo)
<250 kW (all in)	$327
250 kW-1 MW	$194
1-5 MW	$157
5-20 MW	$144
>20 MW	$129

Vacancy declines to a new record low, constraining sector growth

Colocation vacancy is nearing 0%, which is constraining economic growth and undermining national security. Data centers are critical infrastructure, and restrictive market conditions are counterproductive over the long term.

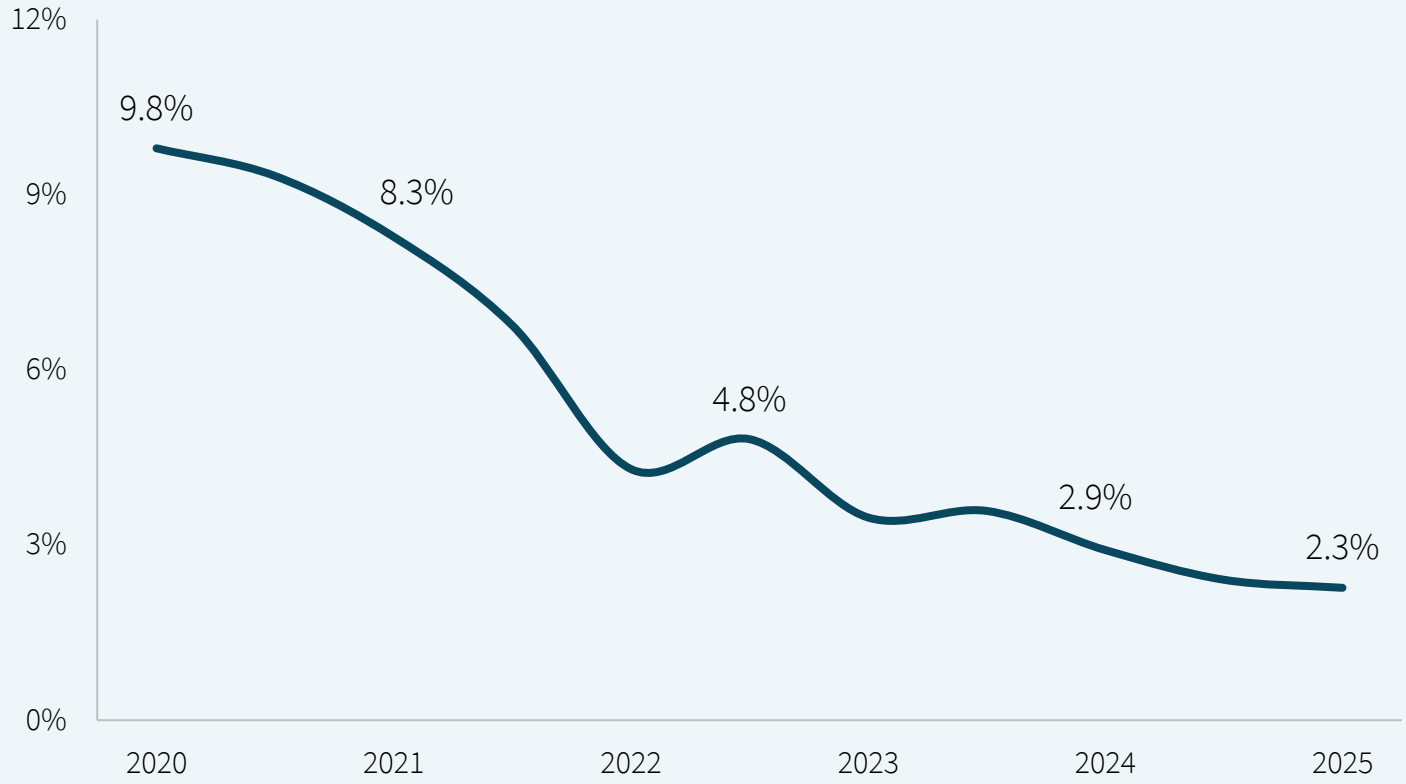
The construction pipeline of 8 GW is 73% preleased, signaling that any meaningful loosening of market conditions remains a few years away at minimum.

Even if preleasing activity slows significantly in the near term, vacancy would likely remain below 5% through 2027. A more probable scenario is that vacancy holds in the 2% range through 2027.

Companies looking to expand their data center operations may be limited to preleasing in new developments. This could require a year or more of waiting for construction to be completed before tenants can take occupancy.

With preleasing at 73%, vacancy will remain restrictive at least through 2027

North America colocation vacancy



Source: JLL Research

With vacancy near 0%, absorption is driven by preleasing activity

With vacancy near 0%, virtually all absorption is the result of preleasing. A market's ability to capture new requirements relies heavily on the development pipeline in that region and the amount of capacity that remains available for lease.

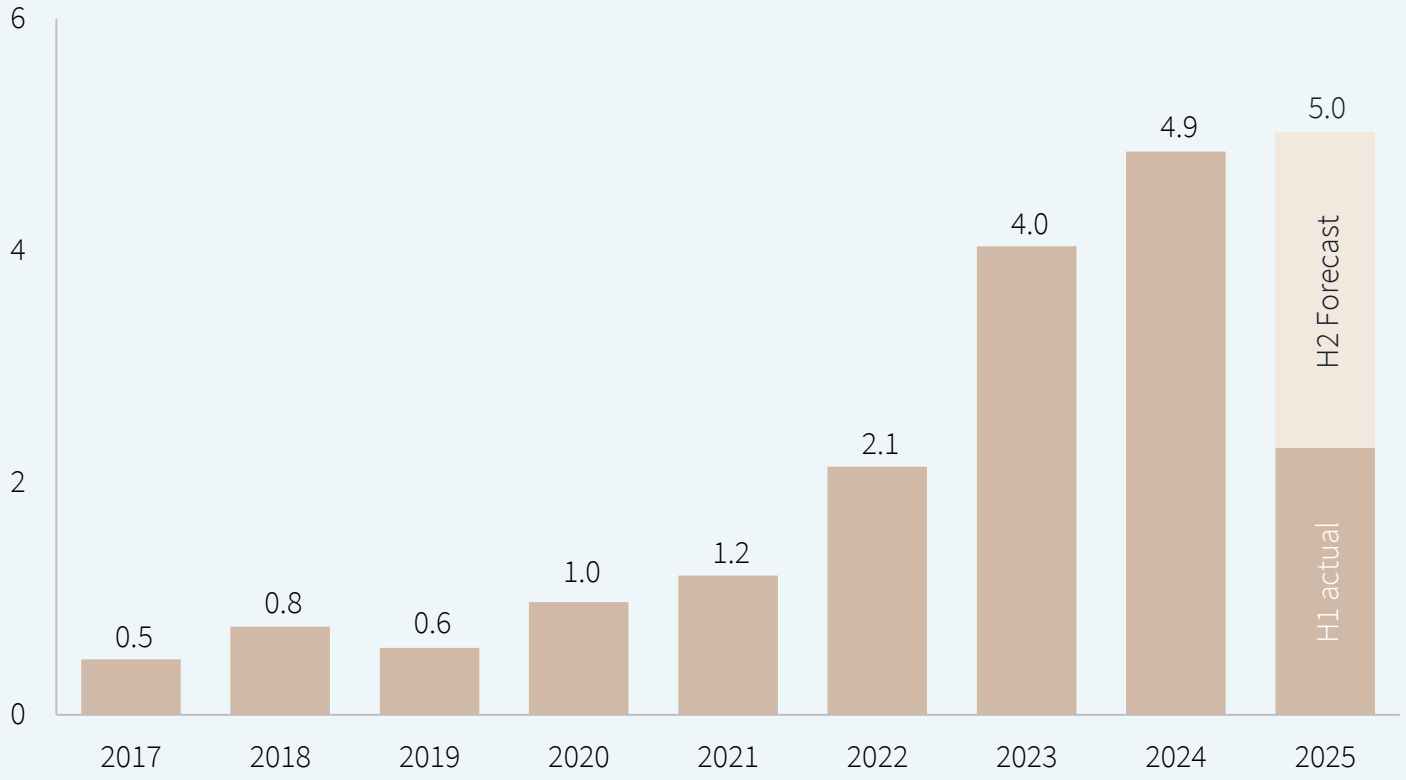
Some data center development has been moving into secondary and tertiary markets in search of power, lower costs and speed to market. This is particularly true for hyperscale projects.

However, emerging markets are capturing only a fraction of colocation demand. JLL's market data continues to demonstrate that colocation demand is concentrated in core markets.

In the first half of 2025, 50% of absorption was recorded in just two markets: Northern Virginia (647 MW) and Dallas (575 MW). Rounding out the top five markets for absorption in H1 were Chicago (368 MW), Austin/San Antonio (291 MW) and Atlanta (150 MW).

Demand remains concentrated in core markets, led by NoVA and DFW

North America colocation absorption (GW)



Source: JLL Research

Most markets have doubled or tripled in size since 2020

The data center sector in North America has been growing at a 20% CAGR since 2017. Over that time, most markets have doubled or tripled in size.

On a percentage basis, the leading growth markets have been Columbus and Austin/San Antonio. However, they started from a small base in 2020.

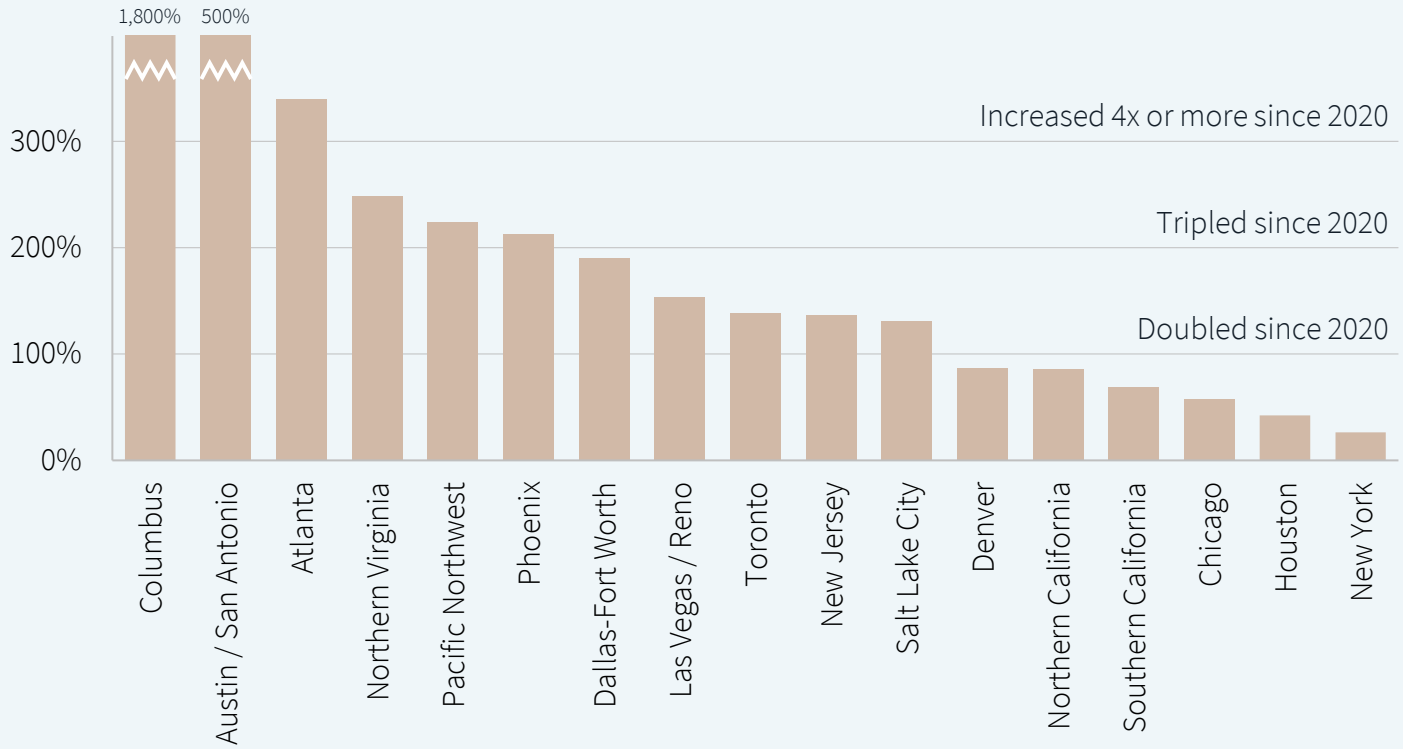
In absolute terms, Northern Virginia (+3,975 MW), Dallas (+1,008 MW) and Atlanta (+828 MW) have seen the largest increase in capacity.

The development pipeline and demand signals support continued sector growth at a 20% CAGR through 2030, at which point the North America colocation market could total more than 42 GW.

The markets with the largest development pipelines including under construction and planned projects are Northern Virginia (7 GW), Phoenix (5 GW), Dallas (5 GW), Chicago (4 GW) and Las Vegas/Reno (4 GW).

Supply and demand pipelines support a 20% CAGR through 2030

Colocation market growth since 2020



Source: JLL Research

Rent growth slows year-over-year to 3% while 3-year CAGR reaches 12%

Rent growth slowed meaningfully in the first half of 2025 to 3% year-over-year. However, the 3-year CAGR remains robust at 12%.

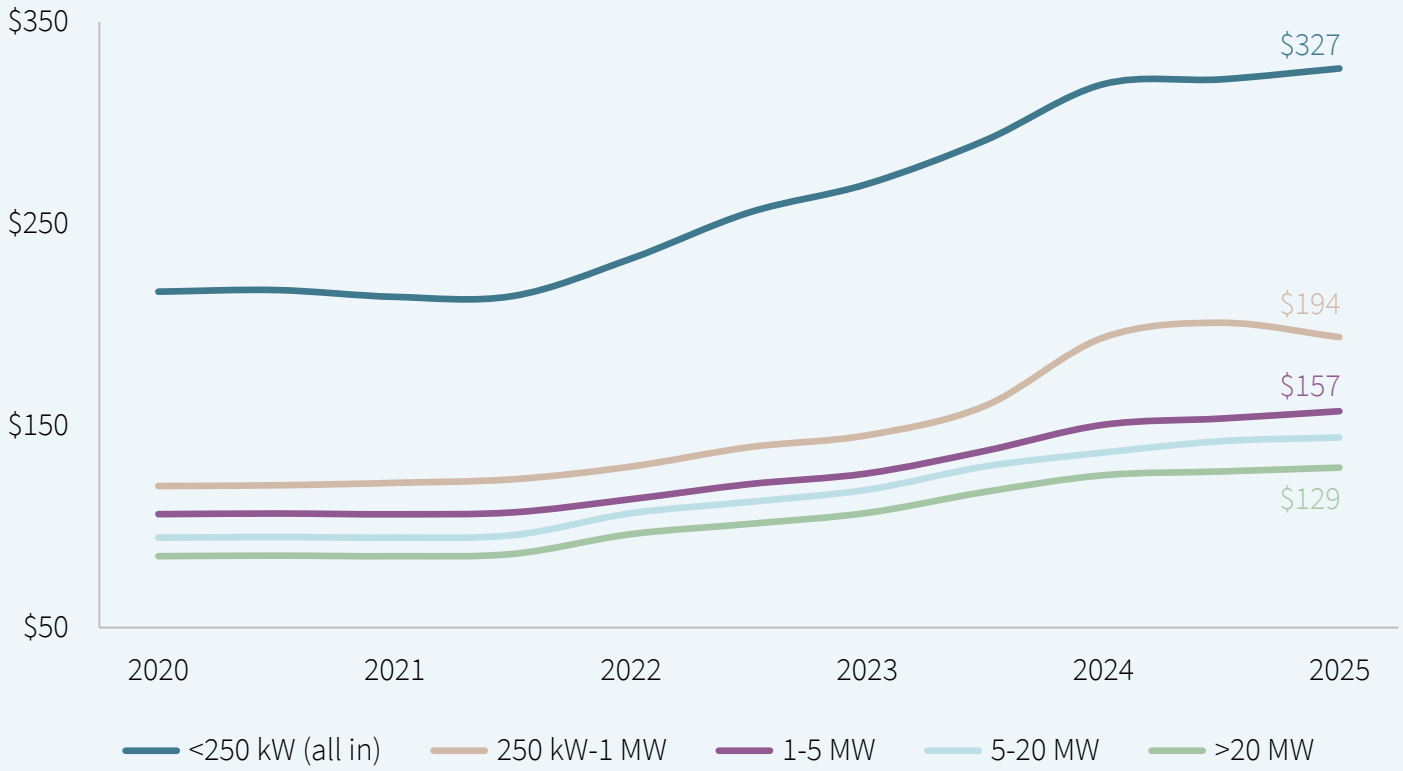
It is too early to determine if the multiyear trendline is broken or if this is a momentary anomaly. Given the constrained market conditions, it is likely that by year-end rent growth will reaccelerate to an annualized pace between 5% and 10%.

Tenants are frequently expressing sticker shock when conducting a mark-to-market. For companies approaching the end of a five-year lease, market rents have increased by more than 50%.

Landlords firmly hold negotiating leverage, and that paradigm is unlikely to change in the next few years. Companies looking to maintain or expand capacity have few options. Cloud is significantly more expensive than colocation, and self-building requires substantial financial resources and human capital.

Colocation rents have increased more than 50% in the last five years

North America colocation asking rents ($/kW/mo)



Source: JLL Research

The average wait time for a grid connection increases to four years

U.S. commercial electricity rates were stable from 2010 through 2020, but over the last five years, rates have increased nearly 30% as utilities address aging infrastructure and record electricity demand.

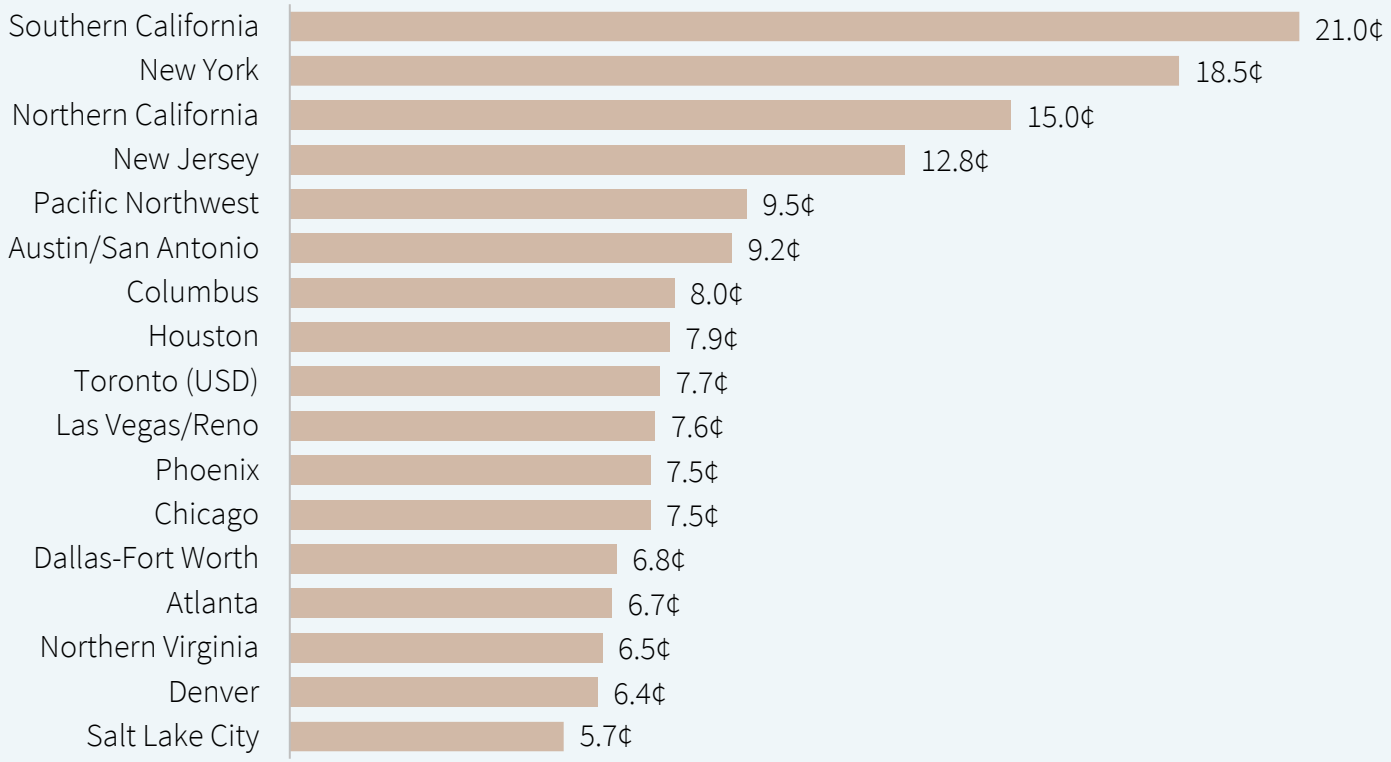
The average wait time for a grid connection across the U.S. is now four years. Power delays remain a significant hurdle in alleviating supply constraints. However, there is a silver lining: this obstacle is also preventing a bubble from forming in the sector.

Utilities have been increasing the requirements for power requests, including larger deposits and minimum contract payments. These are positive actions that will help remove speculation from the queue and accelerate legitimate projects.

Behind-the-meter solutions leveraging natural gas turbines are seeing increasing implementation. Looking farther ahead, small modular reactors present significant opportunity for clean energy.

75% of development activity is concentrated in low-cost electricity markets

North America colocation electricity rates (¢/kWh)



Source: JLL Research

02

Capital Markets

The data center investment thesis continues to attract new capital

The data center sector remains among the most favored real estate asset classes due to insatiable tenant demand, limited supply and rising rents.

Preleasing demand continues to bode well for all phases of data center financing including construction loans, transitional loans and stabilized loans.

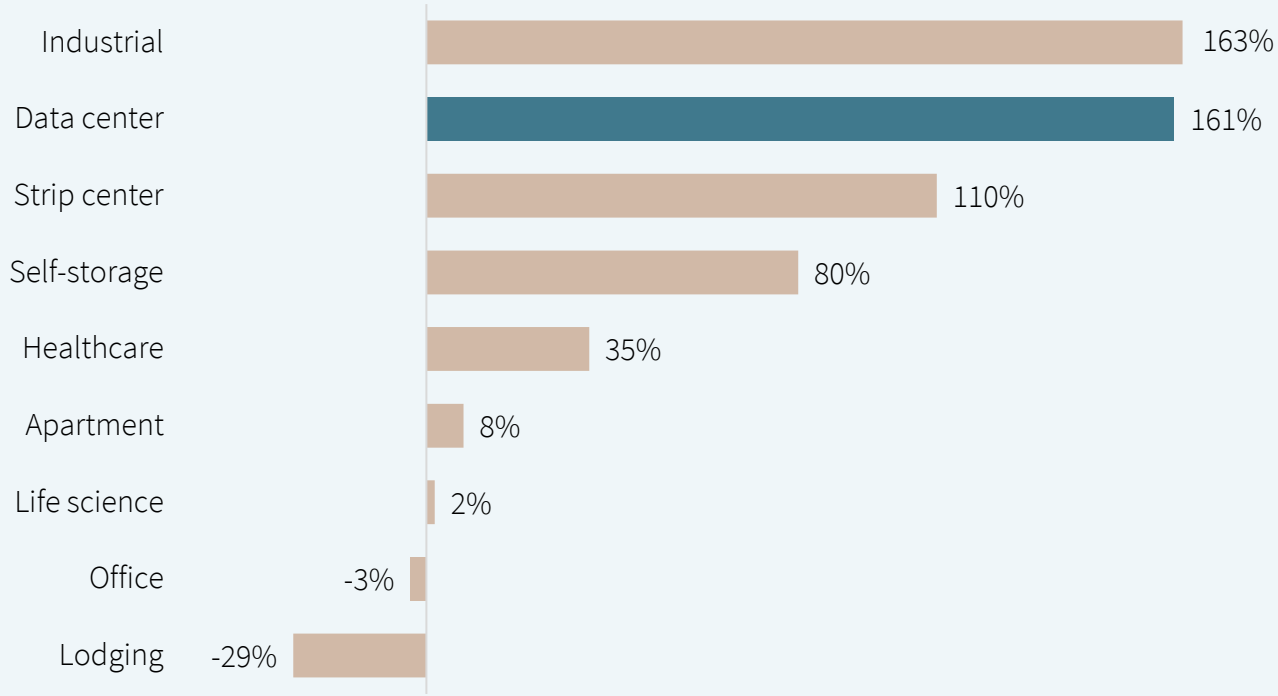
The lender pool depth continues to expand, inclusive of commercial real estate banks, project finance lenders, life companies and debt funds.

Horizontal development financing needs have been in higher demand as utility companies are requiring hard deposits earlier in the power procurement process.

There are also increased capital needs by development groups utilizing behind-the-meter solutions or bridging alternatives.

The data center sector has seen an extraordinary increase in combined asset value driven by rapid supply expansion and intense investor interest

Property sector market cap growth (2019-2025)



Sources: JLL Research, Green Street
Note: REIT market caps taken as of 1/2/2019 and 8/8/2025

Increasing lender pool and greater loan flexibility are positive trends

Developments with long-term leases in place are achieving up to 85% loan-to-cost (LTC) from the senior lenders at competitive spreads.

New lenders have pushed pricing, funding schedule flexibility, higher leverage and creativity with structures at stabilization. Some lenders are taking full exposure to construction loans, while others are using participant lenders on larger deal sizes.

Speculative construction loans are getting executed in core markets, although the volume is limited due to high preleasing demand. The majority of speculative loans have been executed for transitional properties (industrial to data center) with confirmed power expansion in place.

There is abundant capital from debt funds for transitional loans (in core markets) with shorter term tenancy and expansion plans.

Up to $1 trillion of data center development will need to secure construction loans and/or permanent financing in North America by 2030

North America data center development pipeline (GW)

Source: JLL Research

Note: Includes colocation and hyperscale capacity across the U.S. and Canada growing at a 20% CAGR

ABS and SASB originations continue to gain momentum

Asset-backed security (ABS) and single-asset single-borrower (SASB) loan activity is increasing for the third consecutive year. These funding mechanisms offer an alternative approach to refinancing projects at scale versus selling assets at stabilization.

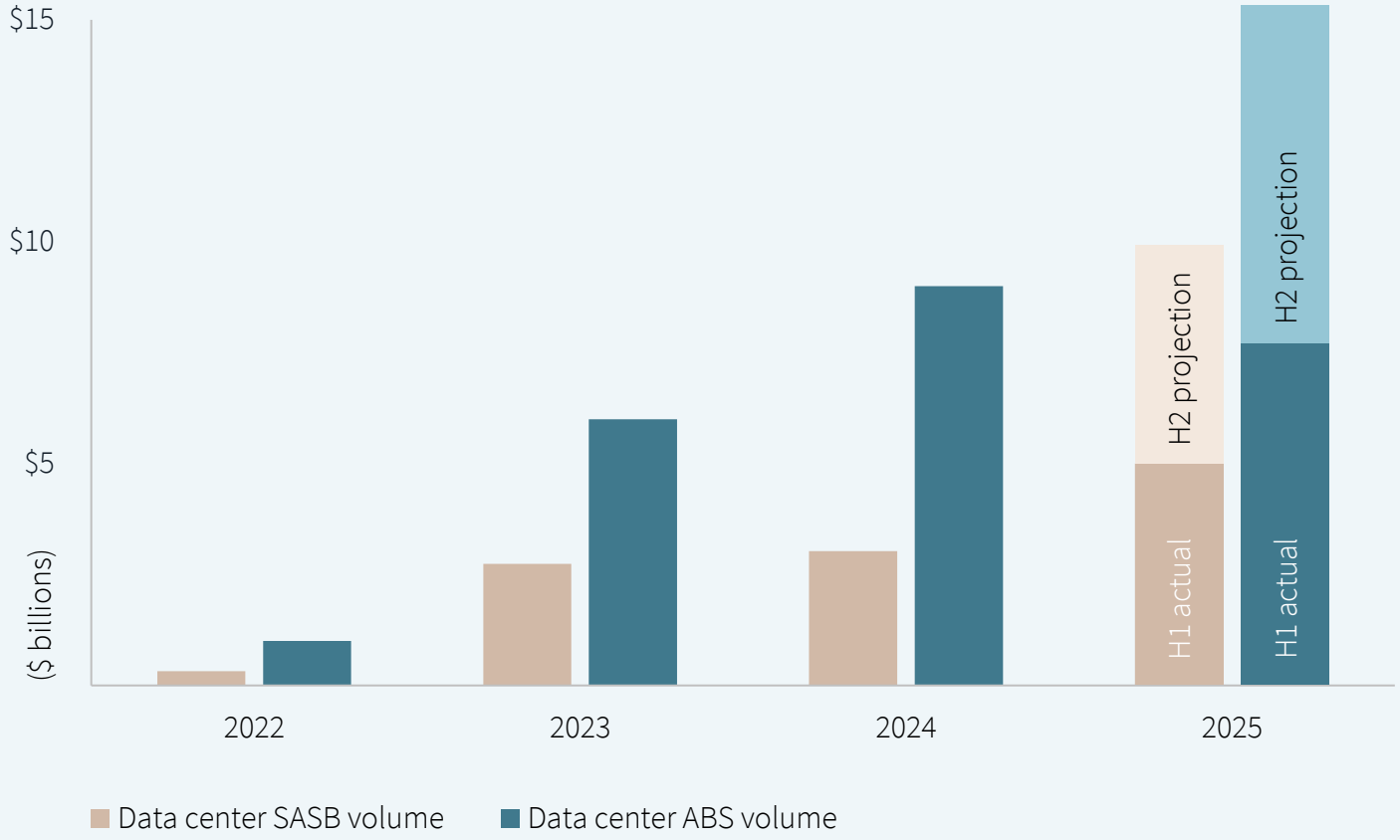
Increasing ABS and SASB volume is one reason why investment sales activity remains muted.

Data centers had a total of 14 ABS deals in the first half of 2025 totaling $7.7 billion. This is up from 11 deals in the first half of 2024 totaling $5.5 billion.

There were four data center SASB deals in the first half of 2025 totaling $5.7 billion in volume, up from $1.4 billion during the same period in 2024.

The SASB and ABS markets will provide continued liquidity diversification to developers and operators seeking to refinance construction loans and/or buyers looking to acquire hyperscale assets.

Data center secured debt issuance on track to increase 10x in three years



Sources: JLL Research, Green Street

Investment sales remain muted, CoreWeave shakes up public markets

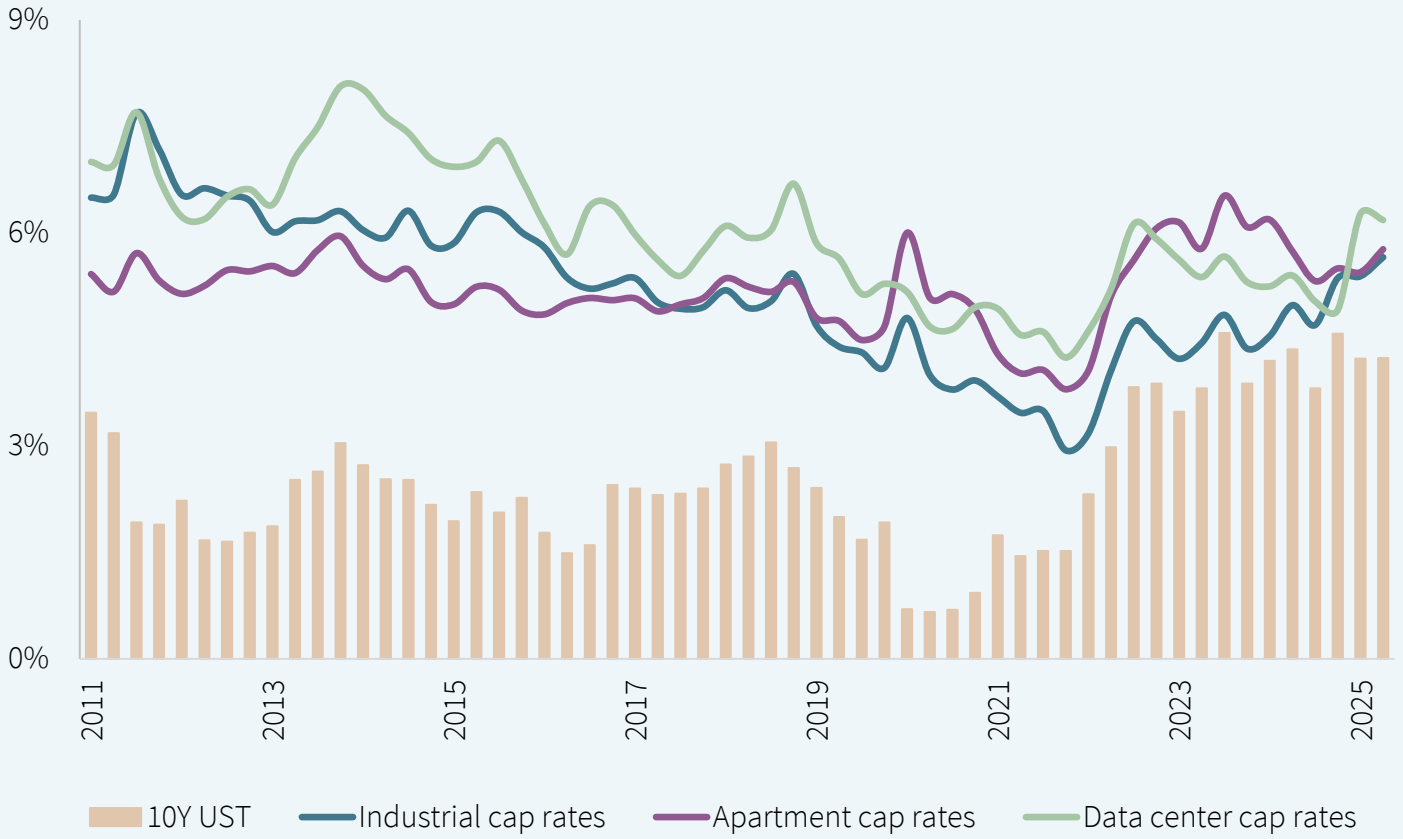
Asset-level sales volume totaled $754 million in the first half of 2025, not including M&A deals. The average deal size was $35.9 million across 23 transactions.

In the first half of 2025, the 10-year U.S. Treasury yield fluctuated from a high of 4.65% (January 14, 2025) to a low of 3.98% (April 3, 2025) and remained volatile, putting stress on stabilized cap rates.

CoreWeave's announced acquisition of Core Scientific was the most notable M&A deal in the first half of 2025. The all-stock transaction has an implied total equity value of around $9 billion.

Earlier this year, CoreWeave launched its initial public offering (IPO) on March 28, 2025, priced at $40.00 per share. As of June 30, 2025, the stock was trading at $155.94 per share, which represents a 390% increase in three months.

Data center cap rates have been trending with in-favor property sectors



Sources: JLL Research, Real Capital Analytics, Federal Reserve

03

Market Insights

Northern Virginia

Key themes

- Dominion Virginia Power has established a “batching system” in reaction to overwhelming customer demand. Lead time for engineering studies is expected to increase dramatically.
- Preleasing and build-to-suit commitments remain strong, accounting for 88% of total absorption.
- The lack of available inventory has driven colocation lease rates up by more than 34% over the last two years.
- The emergence of the I-95 submarket is being moderated by Dominion’s backlog, equipment deposits and credit requirements.

Fundamentals

Total inventory	5,574 MW
Total vacant	1% / 30 MW
H1 2025 net absorption	647 MW
Under construction	1,067 MW
Planned	5,900 MW
Rental rates 1-5 MW ($/kWh/mo)	$135-$200

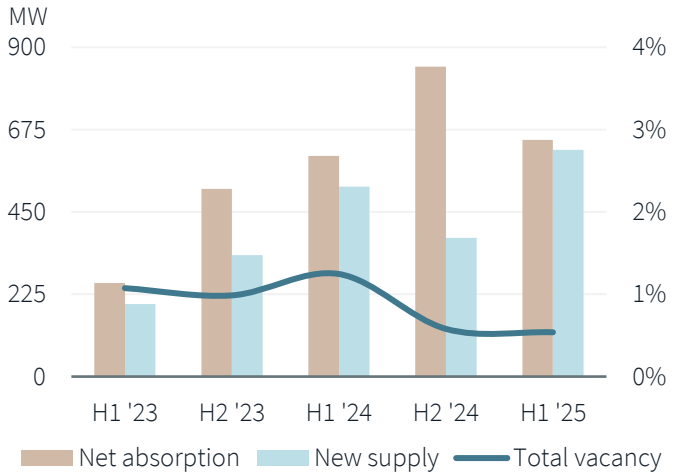
Market overview

- Market-ready inventory has been scarce, at less than 1%, for the past 14 quarters. Almost all (88%) of the new inventory expected through 2026 is already preleased.
- Absorption in H1 2025 was 647 MW (407 MW of MTDC and 240 MW of Shell). Cloud and technology requirements accounted for 77% of demand.
- Average colocation rates above 1 MW have risen 10% from year-end 2024 levels and 34% from year-end 2023 levels.
- AI workloads continue to pay a premium to secure space in the NoVA market due to persistent supply constraints.
- Loudoun County land prices continue to increase, with a high watermark of $4.8 million per acre.

Outlook

- The market is critically short on immediate availability, and there is intense competition for all sizes of deployments.
- There is intense competition across all deployments with availability, placing upward pressure on rental rates. Tenants must act decisively to lock in needed facilities and energy.
- Given current market dynamics, providers with availability on the horizon are exceptionally well-positioned. Demand proves remarkably robust, even as prices climb.
- Based on Dominion challenges, we anticipate the supply/ demand imbalance will persist for the foreseeable future.
- Behind-the-meter options continue to be more concept than reality in the NoVA market.

Historical trends



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Dallas-Fort Worth

Key themes

- Exponential growth in cloud computing and AI/machine learning applications has driven absorption levels.
- Despite robust demand, utility constraints and power delivery timelines challenge development, with a renewed focus on self-generation and grid interconnection to support further expansion.
- With significant construction ongoing in the South Dallas submarket, data center providers and users are increasingly exploring westward expansion to grow their presence.

Fundamentals

Total inventory	1,539 MW
Total vacant	3% / 43 MW
H1 2025 net absorption	575 MW
Under construction	1,083 MW
Planned	3,870 MW
Rental rates 1-5 MW ($/kWh/mo)	$130-$170

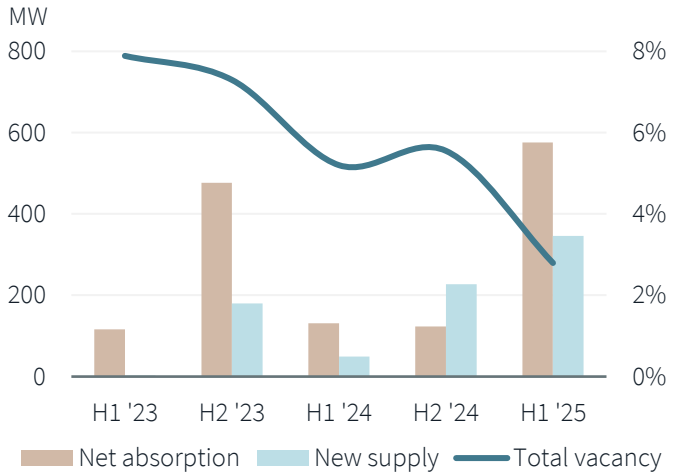
Market overview

- DFW's robust fiber network and proximity to major cloud regions enhance its appeal as a connectivity hub for hyperscale and enterprise users.
- Despite strong growth, power constraints have delayed some projects. Utility providers are working to expand capacity, but lead times for equipment and grid connections have pushed back a handful of delivery dates beyond 2026.
- Hyperscale and AI/ML users have fueled unprecedented demand for capacity in the market.
- Nearly 80% of supply under construction is preleased
- New entrants to the market are stymied by uncertainty around power timelines.

Outlook

- Persistently low vacancy rates will continue due to supply chain and utility limitations slowing new deliveries, driving upward pressure on rents and sale prices.
- South Dallas and Fort Worth will see increased development as prime areas reach capacity, diversifying the market footprint.
- Anticipate a substantial influx of new capacity over the next 24 to 36 months, significantly increasing the market's supply.
- Continue to track changes in utility schedules to stay informed about power delivery timelines.
- Hyperscalers and major developers will explore sites further west and south, outside the EPA's severe nonattainment zone, to enable behind-the-meter power solutions.

Historical trends



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Atlanta

Key themes

- Atlanta's data center market size doubled since 2023 and is on pace to double again in 2026.
- Access to power drives the data center sector, but the utilities have introduced new guidelines and requirements.
- Speculative power-land plays struggle without hyperscaler credit to obtain the power commitment.
- Entitlement challenges increase with public pushback on data center rezonings.

Fundamentals

Total inventory	1,072 MW
Total vacant	1% / 15 MW
H1 2025 net absorption	150 MW
Under construction	1,112 MW
Planned	1,203 MW
Rental rates 1-5 MW ($/kWh/mo)	$140-$155

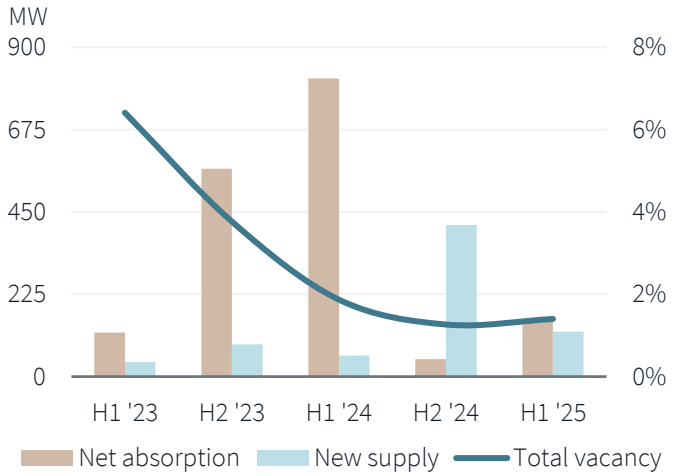
Market overview

- Significant headwinds for future data center development including rezoning pushback, moratoriums and costly power commitments.
- Utilities have introduced new guidelines, and power-land plays are struggling to obtain power without hyperscaler credit.
- Despite challenges, data center projects under construction remain at an all-time high.
- The Atlanta data center market size doubled since 2023 and it's on pace to double again in 2026.
- The industry has a new perspective on natural gas, shifting from hazardous risk to a source of on-site power generation.

Outlook

- There will continue to be demand for data center sites in Atlanta/Georgia given the number of hyperscalers that have committed to the area.
- Speculative developer land contracts will likely get squeezed out with the zoning challenges and new power policies.
- Pushback on data center rezoning will remain a headwind.
- Well-funded, energy-minded problem solvers and businesses are breaking into the industry to meet insatiable power demands.
- Economic incentives remain attractive for data center development.

Historical trends



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Pacific Northwest

Key themes

- The pace of absorption continued to slow due a lack of new deliveries in 2024 and the first half of 2025. The next wave of supply in Hillsboro has also generally been delayed until 2026 due to power constraints, further limiting absorption.
- Preleasing activity in Hillsboro has slowed, despite the low vacancy rate and significant product under construction. New developments continue to target Puget Sound, Eastern Washington and Oregon, but there are limited opportunities for investment.
- Market rents are stabilizing after several years of strong upward growth. Terms are starting to become more favorable for tenants.

Fundamentals

Total inventory	1,045 MW
Total vacant	2% / 20 MW
H1 2025 net absorption	34 MW
Under construction	267 MW
Planned	227 MW
Rental rates 1-5 MW ($/kWh/mo)	$135-$160

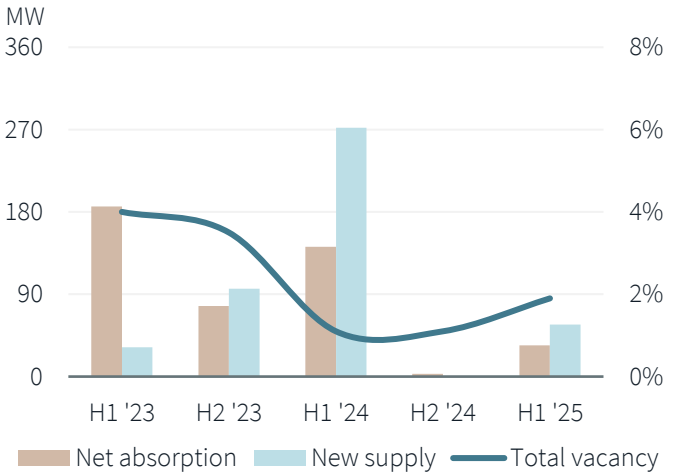
Market overview

- Delays in power delivery from PGE, via BPA, have impacted several projects in Hillsboro and continue to limit new development.
- The vacancy rate increased to 2% in the first half of 2025, with over 9 MW of new available product across the PNW. Smaller enterprise tenants continue to rightsize their colocation operations.
- Absorption declined to the lowest level since 2021, mainly due to a lack of new product for large-scale deployments.
- Hyperscalers continue to expand their data center operations in Eastern Oregon and Washington, where operating costs are lower.

Outlook

- Mark-to-market pricing for renewals continues to impact existing tenants in established data centers.
- A significant portion of the product under construction in Hillsboro is expected to be preleased toward the end of the year, once the power is fully confirmed.
- Operators continue to pursue larger requirements, with higher density designs, including liquid cooling.
- New data center developments will require long ramp periods to comply with the new BPA territory interconnection agreements.

Historical trends



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Austin/San Antonio

Key themes

- In Austin, growth is shifting outside of AES territory due to affordable land and better power access compared to the urban core.
- Absorption in Austin rises as new capacity comes online, with providers energizing large-scale developments in the market.
- San Antonio continues to serve larger federal and hyperscale requirements, creating limited availabilities for smaller requirements.
- Utility power delays may push project completions to 2027 and 2028, prompting the exploration of microgrids and renewables.

Fundamentals

Total inventory	921 MW
Total vacant	3% / 25 MW
H1 2025 net absorption	291 MW
Under construction	341 MW
Planned	1,358 MW
Rental rates 1-5 MW ($/kWh/mo)	$125-$165

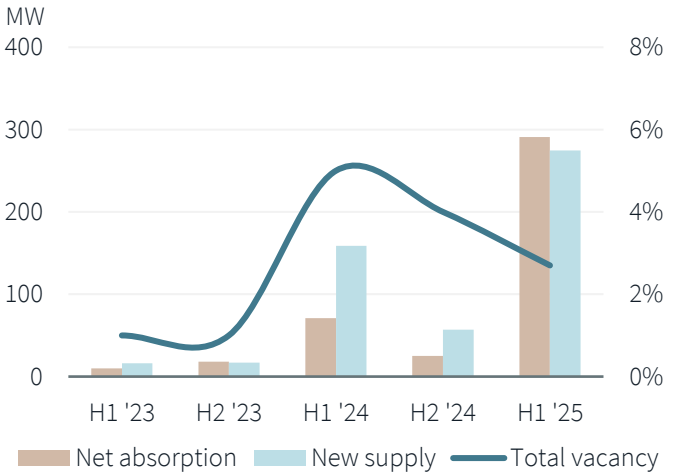
Market overview

- Limited access to new power in the San Antonio market poses challenges for operators.
- Large hyperscale users have begun occupying allocated space north of Austin.
- The rise of AI workloads continues to fuel demand in both markets, as end users look to absorb any availability of capacity.
- Development continues in Pflugerville, Hutto and Round Rock. New offerings arise in San Marcos.
- Tract's acquisition of 1,515 acres in Caldwell County signals strong confidence in the future growth of the Central Texas market.

Outlook

- Keep tracking changes in utility schedules to stay informed about power delivery timelines; utilities in both markets face strain from data center demand.
- Utility power delays may push project completions to 2027 and 2028, prompting the exploration of microgrids and renewable partnerships.
- Groups will continue expanding outward from Austin and San Antonio into areas served by other electric utility providers, including cooperatives.
- As Austin's tech sector expands, local companies will increasingly seek colocation capacity in Central Texas, fueling demand for further market development.

Historical trends



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Phoenix

Key themes

- Strong preleasing in previous years is influencing the low absorption figure in H1 as operators work to meet building delivery timelines. Major deliveries of preleased capacity are expected to deploy in Q1 2026.
- Colocation users must act quickly on scarce options greater than 5 MW. Vacancy will remain constrained through 2026.
- Hyperscale companies are securing entire buildings and campuses as soon as they're announced. Development is pushing outside of the Phoenix metro to secure power and sufficient acreage for campus developments.

Fundamentals

Total inventory	904 MW
Total vacant	3% / 31 MW
H1 2025 net absorption	10 MW
Under construction	1,307 MW
Planned	4,154 MW
Rental rates 1-5 MW ($/kWh/mo)	$150-$210

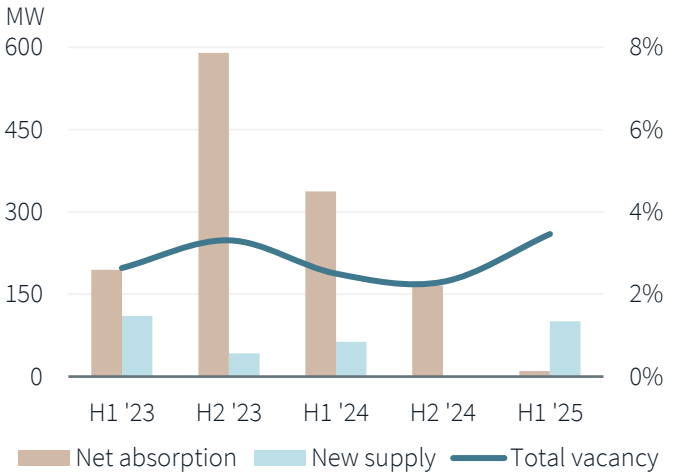
Market overview

- Phoenix's strategic location offers low-latency connectivity to West Coast tech hubs, business-friendly tax initiatives and a low risk of natural disasters. Phoenix provides competitive pricing with reliable power infrastructure and growing employment population.
- Operators seek sites outside Phoenix metro to obtain acreage for larger campuses and untapped power. Cities like Glendale, Avondale and Buckeye are expected to see continued growth.
- Local utility companies have shifted how they conduct power studies. While still committing to deliver large power tranches, the process now requires additional upfront funding and planning for sites to be included in power cluster studies.

Outlook

- Operators will couple immediate needs with a patient approach, acquiring sites now with expectations of future tranches of power, power expansion opportunities and/or cogeneration opportunities.
- Landowners will position themselves to get into the next cluster power study (SRP), scheduled for April 2026.
- AI innovation will continue to drive the need for greater supply, resulting in campus expansions across Phoenix as operators and hyperscalers look to meet growing requirements.
- Phoenix's data center market outlook remains strong, with continued investment activity and strategic land acquisitions signaling sustained growth.

Historical trends



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Chicago

Key themes

- Continued hyperscale and enterprise demand has tightened market conditions. With only a few large blocks available, competition is fierce for space delivering in 2025/2026. Providers are offering less flexibility on ramps, expansions and lease structures.
- The Biometric Information Privacy Act (BIPA) has stifled AI growth and pushed $100 billion of investment into neighboring states.
- With constrained power and delayed delivery timelines, tenants are committing to space 18-24 months before delivery needs. Preleasing has become a critical strategy, especially for AI and cloud workloads requiring large contiguous footprints.

Fundamentals

Total inventory	882 MW
Total vacant	3% / 24 MW
H1 2025 net absorption	368 MW
Under construction	1,184 MW
Planned	2,950 MW
Rental rates 1-5 MW ($/kWh/mo)	$155-$165

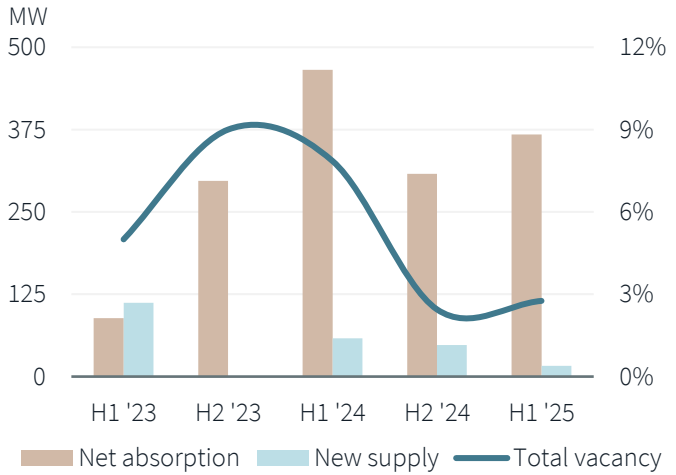
Market overview

- Vacancy remains at 3% as power constraints and long lead times delay new supply, pushing tenants to start leasing well ahead of deployment needs.
- Rental rates are up ~10% since 2024 due to limited supply and strong AI-related demand requiring dense power and cooling.
- Large contiguous blocks remain but are mostly reserved for hyperscalers, leaving smaller users with fewer quality options.
- Outer markets like Grayslake, Yorkville and Joliet are gaining traction as core submarkets run out of land and power.
- ComEd's cluster studies, deposits and revenue guarantees are delaying timelines and forcing developers to reassess project viability, especially speculative ventures.

Outlook

- Chicago remains a top-tier market, but long power delays and regulatory issues will slow growth in 2027-2028.
- BIPA concerns may continue pushing AI-related demand toward neighboring states with less-strict privacy laws.
- Developers are turning to on-site solutions like gas turbines to offset four-to-five-year grid delays.
- AI demand is accelerating dense compute and advanced cooling, changing facility designs for future colocation and hyperscale builds.
- Operators offering ramp, expansion and lease flexibility, especially for <10 MW users, will be best positioned to win deals.

Historical trends



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Northern California

Key themes

- Inability to bring new supply online in Santa Clara has led to increased interest in other submarkets.
- Hyperscale and enterprise demand remains strong despite market challenges.
- Users are increasingly strategic with the type of workloads deployed in NorCal due to operating costs.
- Operators are considering a variety of on-site generation options to navigate the power supply and demand imbalance.

Fundamentals

Total inventory	810 MW
Total vacant	1% / 9 MW
H1 2025 net absorption	29 MW
Under construction	686 MW
Planned	3,000 MW
Rental rates 1-5 MW ($/kWh/mo)	$180-$220

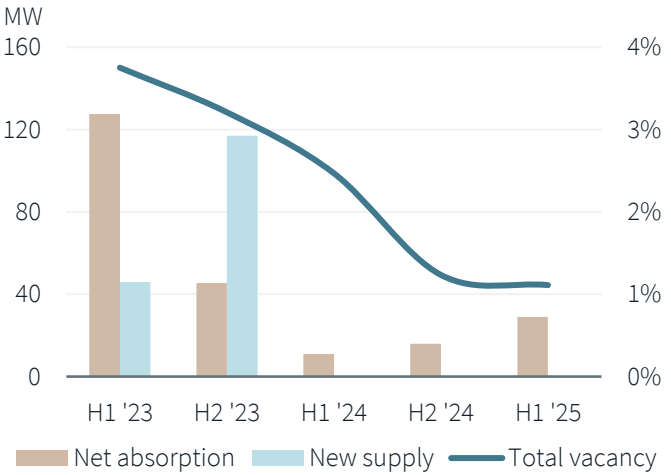
Market overview

- Expect low vacancy to persist, as nearly all new supply is preleased prior to delivery.
- Given the difficulties in securing power and entitlements in Santa Clara, new submarkets are increasingly important and appealing. Both hyperscale and enterprise users are becoming comfortable leasing outside of Santa Clara despite utility costs.
- Demand from diverse types of users remains strong. Hyperscale and enterprise users should plan several years in advance to secure space and power.
- Expect pricing to continue to rise due to lack of competitive supply. Large-scale first-generation spaces will continue to command premium pricing.

Outlook

- Competition between high-credit users will be fierce for limited available capacity.
- For enterprise users, high-quality second-generation space will be priced with limited discount to first-generation space.
- Workloads deployed in NorCal will likely be composed of high-touch gear, developmental systems or revenue-generating workloads due to the high operating costs vs. other markets.
- New submarkets—East Bay, Sunnyvale, North San Jose, North Bay and Sacramento—will be increasingly desirable.
- All on-site generation solutions should be considered to alleviate speed-to-market and utility costs concerns.

Historical trends



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New Jersey

Key themes

- Quietly becoming a top five market with record demand from financial services and AI deployments.
- New state bill proposed for special incentivized utility rate for 100+ MW data center developments.
- CoreWeave begins large campus development in Kenilworth, and AWS expands with new availability zone in New Jersey.
- Notable development and expansion plans among Equinix, Digital Realty, QTS, CoreSite and Nebius.

Fundamentals

Total inventory	531 MW
Total vacant	4% / 23 MW
H1 2025 net absorption	18 MW
Under construction	19 MW
Planned	124 MW
Rental rates 1-5 MW ($/kWh/mo)	$145-$225

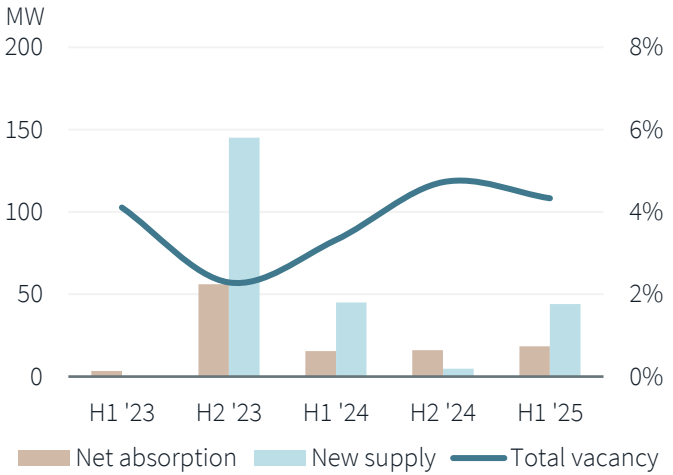
Market overview

- Great tax incentives and new special utility rate driving strong interest in 100+ MW AI data center developments.
- Nebius announces plans for 300+ MW development.
- CoreWeave begins data center construction in Kenilworth.
- Multiple 100+ MW locations are starting to surface.
- QTS, Equinix, CoreSite and Digital Realty are leading the largest campus developments in the market.
- AWS opens its seventh second-generation availability zone in New Jersey, indicating the strong interconnection value proposition NJ offers.

Outlook

- PSEG capacity upgrade requests hit record inquiry levels.
- NJ is ideal for edge and AI inference deployments, while Upstate NY and PA are positioned for hyperscale campuses.
- NJ is ideally positioned to handle financial services inference applications.
- Very limited 2+ MW of contiguous space options in next 12 months, as new capacity doesn't deliver until H2 2026.
- PSEG's lead times are ranging between three and seven years, with a large upgrade pipeline.

Historical trends



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Columbus

Key themes

- Over the last 24 months, hyperscalers have acquired over 2,000 acres across the Columbus region, driving colocation demand as well, with nine different operators acquiring sites between 80 and 500 acres in the same time span.
- Demand remains rampant despite power availability constraints throughout the region, with four new projects announcing alternative solutions using front-of-meter fuel cells or behind-the-meter natural gas power plants.
- Grid constraints in the Columbus region are pushing providers to expand site selection efforts into tertiary markets across Ohio.

Fundamentals

Total inventory	506 MW
Total vacant	1% / 5 MW
H1 2025 net absorption	0 MW
Under construction	38 MW
Planned	3,262 MW
Rental rates 1-5 MW ($/kWh/mo)	$125-$165

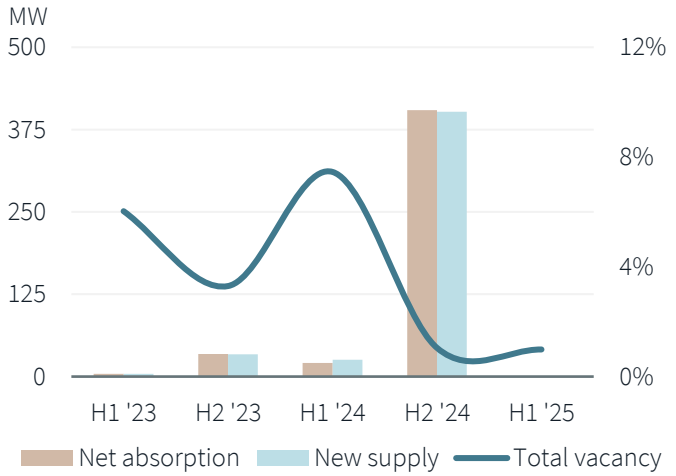
Market overview

- The emergence of Columbus as a core cloud region has resulted in a wave of new development over the last 24 months, with rapid absorption slashing total vacancy to sub-1% across a total of 506 MW.
- The Licking County submarket continues to drive demand, although grid constraints have pushed operators to pay massive premiums for sites with committed power. Given current interconnection timelines, these sites are becoming rare and will push users to explore tertiary markets or adopt alternative bridging solutions.
- In 2025, there have been four announcements from operators moving forward with sites that will either use fuel cells or build on-site natural gas generation as a bridge to interconnection.

Outlook

- More users are expected to leverage Bloom fuel cells to power sites quickly given current grid constraints. Demand isn't slowing despite higher pricing guidelines and new tariff structures requiring significant financial commitments.
- Operators will continue searching for viable sites within proximity to the larger Columbus region, especially east of Licking County and south close to the I-71 corridor. Alternative power solutions are expected to become more mainstream as operators adjust to current conditions.
- Location strategy will also shift to other areas of Ohio with untapped grid capacity. Expect cloud providers to take down multiple sites in proximity to form additional cloud regions in the state.

Historical trends



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Toronto

Key themes

- An increasing number of hyperscale requirements exceed both current land opportunities and near-term power availability.
- Only three providers in the greater Toronto area can accommodate a 10 MW to 25 MW requirement with a Q1 2026 timeline given high demand and extremely low availability.
- Market demand continues to experience a “build it and it will lease” phenomenon. Due to limited existing vacancy, new development projects are experiencing immediate leasing demand.

Fundamentals

Total inventory	380 MW
Total vacant	2% / 9 MW
H1 2025 net absorption	70 MW
Under construction	93 MW
Planned	234 MW
Rental rates 1-5 MW ($/kWh/mo)	CA$155-$175

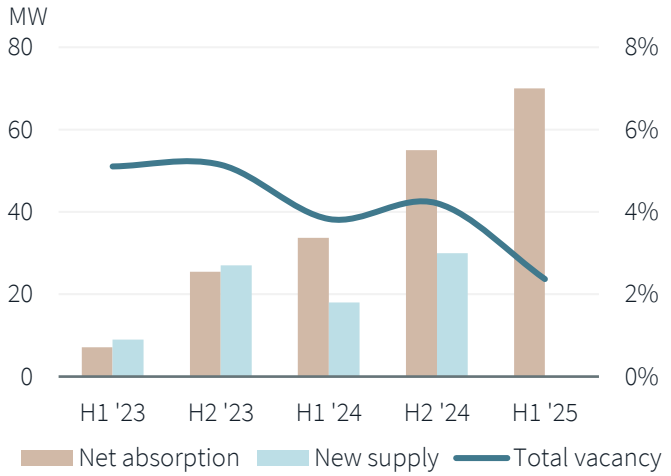
Market overview

- As developers scour North America for land and power opportunities, Toronto continues to be a high-demand market. However, the high price per acre of land coupled with limited powered land sites is restricting the pace of development.
- CoreWeave announced a 26-acre, 64 MW deployment with Cohere as the customer in Cambridge, which is a reflection of the Canadian government’s investment in AI research. Note this commitment is included in the H1 absorption numbers. JLL captures data center preleasing as absorption given the restrictive market conditions.
- Oneida Energy is planning a 250 MW battery storage facility in Haldimand County on 10 acres.

Outlook

- The long-term growth of the energy sector in Ontario should continue to attract larger data center developments.
- Many of the large hyperscale developers (300+ MW) are considering land opportunities in the outer areas of the greater Toronto market due to the scarcity of large parcels in the core submarkets.
- Occupiers should continue to see the growth of new operators into the supply landscape in the coming years, which will bring additional services and scalability.
- With limited near-term power availability in Quebec, Ontario’s future for high-powered data center developments is positioned for significant growth.

Historical trends



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Las Vegas/Reno

Key themes

- Operators are eager to enter the Nevada market, although patience is required for utility infrastructure to catch up with demand.
- The majority of capacity is leased throughout Las Vegas and Reno, with only small noncontiguous capacities available. However, relief for tenants is on the horizon, with over 200 MW under construction and set to deliver in the next two years.
- As zoning restrictions tighten across many data center markets, Nevada is experiencing heightened interest due to its favorable regulatory environment and strategic advantages.

Fundamentals

Total inventory	362 MW
Total vacant	1% / 4 MW
H1 2025 net absorption	25 MW
Under construction	207 MW
Planned	3,495 MW
Rental rates 1-5 MW ($/kWh/mo)	$145-$195

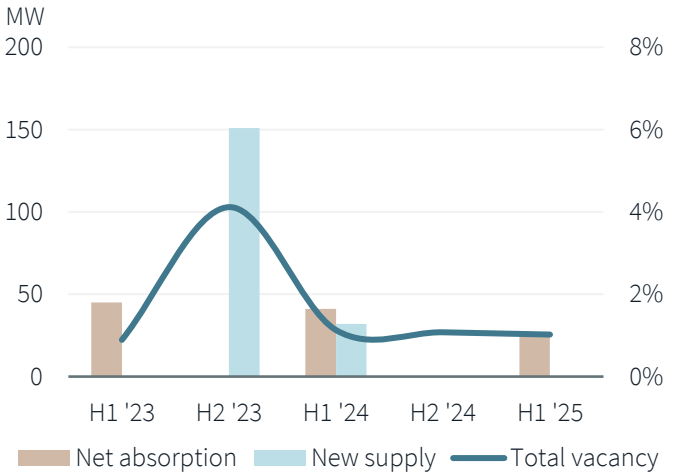
Market overview

- Competitive land prices and utility costs continue to draw operators into the market to look at expansion opportunities.
- The Las Vegas market continues to see robust activity, with strong demand from large tenants and land acquisitions for development.
- Data center operators remain highly active in site acquisition efforts, though power infrastructure limitations continue to constrain growth, with significant power delivery typically delayed by multiple years.
- Vacancy has been restrictive at 1% over the last 18 months. However, relief for tenants is on the horizon, with over 200 MW under construction and set to deliver in the next two years.

Outlook

- Cogeneration opportunities are expected to drive the future design of Las Vegas and Reno data center campuses due to the abundance of land and ability to bridge grid capacity.
- Operators continue to prefer single-tenant building take-downs, creating a market gap for multi-tenant user needs.
- Nevada is expected to develop into a major market as utility infrastructure expands throughout the region over the next several years.
- 2026 and 2027 will be the next major delivery periods of colocation buildings across operators in Las Vegas and Reno, similar to other regions such as Phoenix and Dallas.

Historical trends



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Southern California

Key themes

- California is evaluating current restrictions and legislation to assist in expediting approval processes for data center development.
- Vernon and El Segundo continue to be a focus for new data center development, with several projects in the pipeline. San Diego and Orange County are seeing increased demand for powered land developments, and several projects are in the planning stages.
- The Olympics and World Cup are driving demand for network and global connectivity. However, LADWP has ceased new power requests as they evaluate this true demand and impact on the grid.

Fundamentals

Total inventory	355 MW
Total vacant	14% / 48 MW
H1 2025 net absorption	11 MW
Under construction	100 MW
Planned	300 MW
Rental rates 1-5 MW ($/kWh/mo)	$125-$145

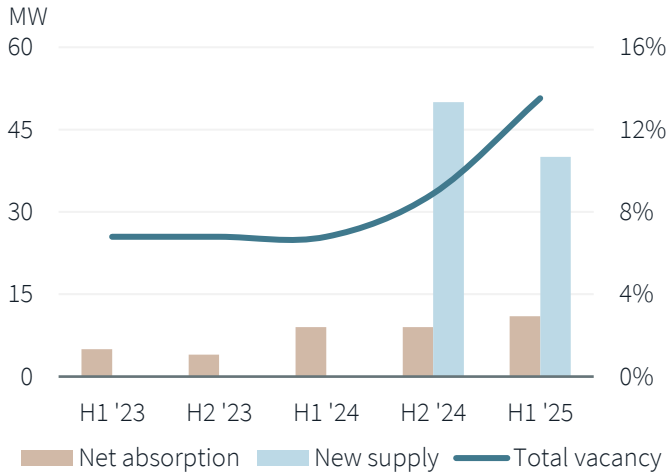
Market overview

- Development of new sites in Monterey Park will begin in 2025.
- New product will be preleased while legacy space struggles.
- Recent announcements in Vernon will tap remaining power as the city tries to add additional power.
- Demand is being continually driven by AI, cloud and hyperscalers; this will continue to be the trend for the foreseeable future.
- High-density deployments and optionality for hybrid liquid/air cooling environments have changed development designs.
- Lack of quality product resulting in significant price increases.

Outlook

- New markets in the region are a focus, as quality supply is very limited in traditional markets.
- Strong preleasing for new product coming to market.
- Smaller deployments remain the focus due to power costs.
- Rates will continue to rise as users compete for product.
- Limited quality product will spur new developments in new submarkets with connectivity and power capacity.
- Operators are creating state-of-the-art facilities to keep up with higher-density demand.
- Proximity and connectivity to One Wilshire is key.

Historical trends



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New York

Key themes

- More than $10 billion of AI data center infrastructure planned in the New York data center market by 2030.
- Inference deployments are seen as a significant tailwind over the next decade as AI workloads increase substantially.
- 70% of New York's electricity will come from renewables. Multiple nuclear and hydroelectric projects are already underway.
- Financial services, AI GPU service providers and AI inference applications lead demand for data center capacity in New York.

Fundamentals

Total inventory	192 MW
Total vacant	2% / 4 MW
H1 2025 net absorption	5 MW
Under construction	24 MW
Planned	48 MW
Rental rates 1-5 MW ($/kWh/mo)	$145-$185

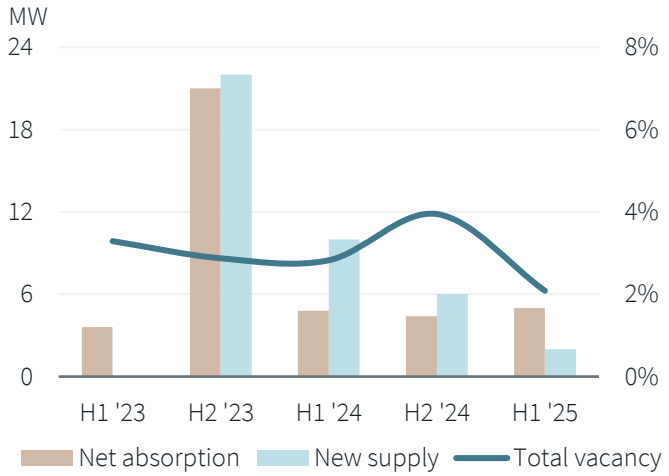
Market overview

- The governor of New York is planning to implement up to three commercial nuclear power plants.
- TeraWulf to bring 250+ MW online.
- Stream announced a 250+ MW campus in Alabama, New York.
- Micron's $100 billion chip manufacturing plant in Syracuse has spurred new development activity in the surrounding area.
- Orangeburg colocation operators, 1547 and DataBank, have each initiated 20+ MW of expansions.
- NYC carrier hotel activity is dormant, with one wholesale provider available for build-to-suit demand only.

Outlook

- New York has over $10 billion of data center infrastructure planned by 2030, but the state is under competitive pressure as adjacent states have been very active recently.
- Pennsylvania, with support from the president, has plans to invest $90+ billion in AI data center infrastructure powered by regional gas and nuclear resources.
- Large wholesale options are limited to bitcoin-converted AI data center campuses (TeraWulf, Digihost and Greenidge). Large-scale developments remain absent from the pipeline.
- Financial services, AI GPU deployments and enterprise AI inference applications will be growth catalysts for New York.

Historical trends



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Salt Lake City

Key themes

- Innovative energy technologies are being implemented, enhancing grid resilience across the Salt Lake City data center market.
- Existing campus expansions continue to accelerate, with completed and ongoing projects demonstrating commitments to sustainability, cutting-edge technology and client-focused development.
- Utah's "Operation Gigawatt" initiative has made significant progress in expanding power production capacity, with new infrastructure developments specifically targeting growing data center demand.

Market overview

- Salt Lake City remains a second-tier data center market with steps being taken for continued power growth in the region.
- Low-cost power, minimal disaster risk, low latency connectivity and robust long-haul fiber infrastructure continue to drive demand to the market.
- Utah's competitive tax advantages, particularly the absence of sales tax on equipment, continue to drive investment to the area. This is complemented by relatively affordable real estate compared to other Western markets.
- Vacancy rates for data center space have remained below 3% throughout H1 2025, with new inventory being preleased 18-24 months ahead of completion.

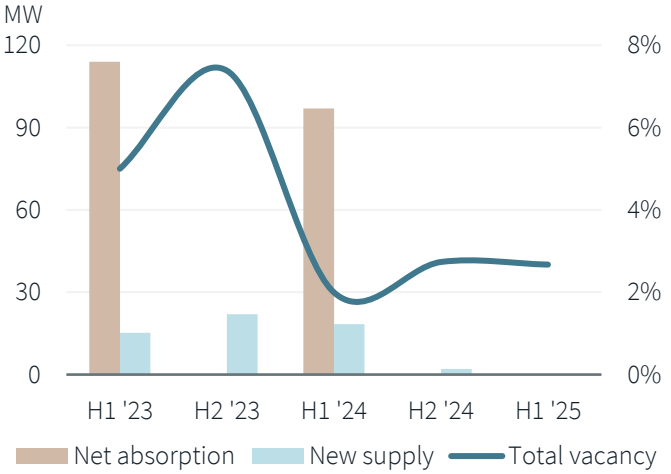
Outlook

- The second half of 2025 is expected to maintain current market stability. The construction pipeline is nearly 100% preleased, foreshadowing limited vacancy for some time.
- Energy technology deployment that began in early 2025 is scheduled for full implementation by year-end, bringing uninterruptible power supply functionality, long-duration backup and intelligent on-site generation integration.
- Power allocation has become the primary constraint in the market, with providers unable to secure new capacity until 2035 if not already in queue, while those in existing utility queues may receive allocations by 2030—forcing strategic long-term planning for expansion.

Fundamentals

Total inventory	157 MW
Total vacant	3% / 4 MW
H1 2025 net absorption	0 MW
Under construction	228 MW
Planned	885 MW
Rental rates 1-5 MW ($/kWh/mo)	$150-$210

Historical trends



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Houston

Key themes

- Potential for market expansion as developers and operators continue their search for power in a deregulated market.
- Innovative energy companies are pursuing opportunities to enter the data center power sector through diverse agreements and generation methods.
- Steady demand from existing enterprise clients, alongside a few new AI customers seeking near-term capacity, continues to drive growth.

Fundamentals

Total inventory	151 MW
Total vacant	21% / 32 MW
H1 2025 net absorption	1 MW
Under construction	57 MW
Planned	312 MW
Rental rates 1-5 MW ($/kWh/mo)	$130-$160

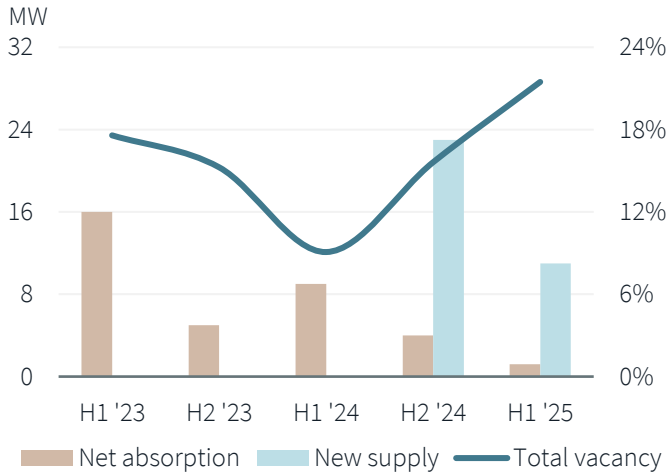
Market overview

- Houston remains a stable market with low churn and absorption, primarily driven by retail-focused leasing.
- Local enterprise, oil and gas, and healthcare sectors continue to fuel leasing demand in the greater Houston area.
- High-density, liquid-immersed colocation deployments for geotechnical and exploratory services position Houston as a leader in liquid-immersion cooling technologies.
- The lack of traditional zoning regulations allow for development in locations that would seem atypical compared to other data center markets.
- Potential for market expansion as developers and operators continue their search for power in a deregulated market.

Outlook

- As power constraints intensify in the primary DFW market, developers will explore building in areas northwest and west of Houston, outside flood zones, with reliable power access.
- Houston will experience steady but gradual growth as existing colocation and data center customers expand organically over time.
- Innovative power solutions companies will target the Houston market to test new technologies and strategies.
- Location-agnostic companies seeking near-term capacity will continue to evaluate space in Houston due to readily available product and a healthy development pipeline with additional capacity available to lease.

Historical trends



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Denver/Colorado Springs

Key themes

- Hyperscale expansion and AI workload requirements have created a highly competitive environment with low vacancy and increased preleasing activity.
- The region's supportive regulatory environment and growing tech ecosystem continue to attract significant investment.
- Strategic power infrastructure investments and renewable energy initiatives are enhancing Denver's appeal, as data center operators increasingly prioritize sustainable operations to support the higher power densities required by AI workloads.

Fundamentals

Total inventory	122 MW
Total vacant	19% / 24 MW
H1 2025 net absorption	7 MW
Under construction	36 MW
Planned	304 MW
Rental rates 1-5 MW ($/kWh/mo)	$125-$145

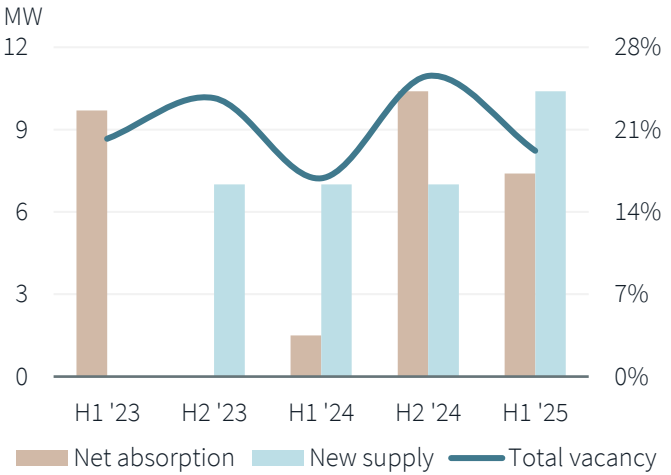
Market overview

- Local power utilities have prioritized grid reinforcement projects across the area to accommodate the growing electricity demand.
- With high data center demand and low supply, vacancy rates in Denver remain, low which in turn has led to steady increases in prices for new facilities.
- Denver continues to emerge as a significant secondary market in the data center landscape, consistently featured within broader Southwest requirements.
- The region has established itself as a strategic complement to primary markets rather than a replacement.

Outlook

- Colorado's combination of renewable energy initiatives and relatively low disaster-risk profile enhances the region's value proposition for operators seeking to diversify their footprints beyond traditional primary markets.
- Increasing preleasing commitments indicate strong forward momentum, with several hyperscalers securing capacity 12-18 months ahead of delivery to ensure strategic positioning in the region.
- As power procurement becomes increasingly more challenging, providers and operators must develop innovative strategies to secure the energy resources required to meet growing demand.

Historical trends



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