



For Immediate Release

## Data centres: Headroom for growth in Asia Pacific, but suitable land parcels becoming harder to find in mature markets

**SINGAPORE, August 24, 2023** – Data centres across Asia Pacific are growing in scale and new markets are being evaluated for expansion as operators anticipate increased demand from continued digitization and wider adoption of artificial intelligence.

According to Cushman & Wakefield's latest *Asia Pacific Data Centre Update*, five cities – Beijing, Shanghai, Singapore, Sydney and Tokyo – account for 62 percent of the operational data centre capacity in Asia Pacific, with Sydney and Tokyo expected to join Beijing and Shanghai in the next one to two years as cities exceeding 1 Gigawatt (GW) of operational capacity.

Emerging markets are also growing rapidly, with Indonesia, Malaysia, the Philippines and Thailand all on track to more than double [ $>200$  percent increase] their operational capacity over the next five to seven years.

**Cushman & Wakefield's Director, Data Centres Research & Advisory for APAC and EMEA Pritesh Swamy** said significant land banking in mature markets coupled with growing data consumption was leading operators to explore secondary markets.

"The potential capacity of land banks in some mature markets is greater than the combined total capacity of both under-construction and planned pipelines. While it could take more than 10 years to develop these land banks, operators have started to explore other locations."

He said cities with populations of over 1 million were often seen as strategic locations for smaller data centres.

"Smaller data centres can be used to cater for the local population or as a way for operators to show their enterprise clients that they have a presence in strategic markets and growth corridors."

The report also shows that the scale of individual data centres is increasing. Within the top five markets, the average size of data centres under construction is up 32 percent to 20MW, from an average size of 15MW for data centres currently in operation. Across the broader Asia Pacific region, the percentage difference is even higher, with the average size of data centres under construction (14.5MW) 57 percent higher than the average size of operational data centres (9.2MW).

### Maturity Index extrapolates growth trajectories to provide future insights

Supplementing the company's global annual ranking of data centre markets<sup>1</sup>, which assesses data centre markets on their current status, the latest *Asia Pacific Data Centre Update* also includes a [Markets Maturity](#)

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<sup>1</sup> Cushman & Wakefield's [Global Data Centre Market Comparison report](#)

[Index](#), which classifies 29 data centre cities across four categories (Emerging, Developing, Established and Powerhouse), based on their anticipated evolution over the next five to seven years.

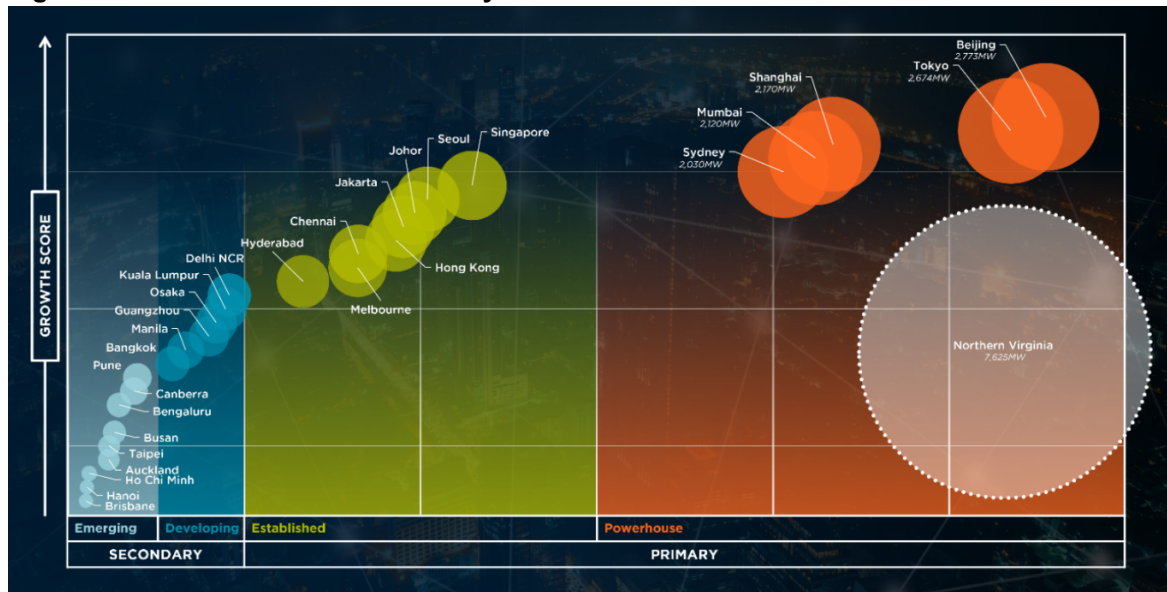
As an example of its application, the Maturity Index classifies Mumbai (which currently has 462MW in operation) ahead of Sydney (724MW) within the Powerhouse category after taking into account, among other factors, its under-construction pipeline of 342MW, which is the highest in APAC.

Beijing, Shanghai and Tokyo also make the Powerhouse category, with each of the five markets having the development pipeline to surpass 2GW in operational capacity over the next five to seven years.

Swamy said the Maturity Index showed that there remained plenty of development headroom in Asia Pacific compared to other regions.

“The opportunity for growth is quite significant. If we look at the US, Northern Virginia alone has around 3GW, which is one-third of the cumulative capacity across Asia Pacific, while the entire US market has almost 10GW in operational capacity. Considering that Asia Pacific’s population is around ten times greater than that of the US, we are far behind in terms of the overall capacity we may need.”

**Figure 1: Asia Pacific Markets Maturity Index**



Cushman & Wakefield’s Asia Pacific [Markets Maturity Index](#) charts the evolution of 29 data centre markets based on parameters including the operational, under construction, planned and land banked IT MW capacity. Note that Northern Virginia is not to scale.

**Note to Editors**

The Maturity Index is a statistical comparison evaluating markets on 21 parameters, including the IT MW capacities of each market’s operational, under construction, planned and land banked stages of development, as well as vacancy rates, the number and average size of data centres based on their status, the number of operators that have operational data centres in each market, and the number of new operators planning to enter



*the market. These data points are stacked into a parameter matrix and weighted to derive their overall growth score - the higher the growth score, the more evolved the market.*

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