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## **APAC Data Centre Investment Hits Record US\$11.6 Billion as Power Access Reshapes Growth**

*Malaysia, Australia, and India Emerge as Key Growth Markets as AI Shifts Demand Beyond Traditional Hubs*

**Asia Pacific – 21 May, 2026** – Asia Pacific data centre investment reached a record US\$11.6 billion in 2025, as power availability increasingly determines where new capacity can be delivered, according to [CBRE's 2026 Asia Pacific Data Centre Trends & Outlook Report](#).

As AI demand accelerates, growth is shifting beyond traditional hubs toward power-advantaged markets, including Malaysia, Australia, and India. This is redrawing the region's data centre footprint.

### **Multiple Investment Channels Emerge**

As the Asia Pacific market matures, investment structures are becoming more defined. Investors are increasingly favouring asset-specific exposure and improved liquidity. Platform and operating company opportunities are also expanding, with entity-level transactions reaching US\$8.3 billion in 2025.

At the same time, more operators are adopting capital recycling and fund management models. These approaches support scale, strengthen balance sheets, and provide access to more diversified portfolios.

### **Neoclouds Emerges as a New Demand Driver**

A new class of AI-focused cloud providers is also emerging as an additional source of demand. These “neoclouds” specialise in high-performance computing infrastructure for AI workloads and are expanding across APAC through both global and local players.

Adoption remains selective. In some cases, landlords remain cautious, particularly where tenant credit profiles are less established. As a result, neoclouds are best viewed as an emerging demand segment alongside hyperscalers.

“AI is reshaping how infrastructure is selected and deployed across Asia Pacific,” said [Matt Madden](#), Senior Managing Director, Data Centre Solutions, Asia Pacific for CBRE. “For neocloud providers, access to power is increasingly outweighing traditional location advantages. This is directing demand toward markets that can support high-density campuses at scale, particularly across India, Malaysia, and parts of Southeast Asia.”

## A Geographic Reset

Malaysia and India are emerging as focal points among power-advantaged markets. In 2025, Johor led the region with a sharp 53% year-on-year increase in live capacity, followed by Melbourne at a 37% growth. This underscores strong expansion momentum outside mature markets such as Singapore and Hong Kong SAR, with around 6-8% growth.

Large-scale campuses are gaining traction in locations that can better accommodate high-density AI workloads. By contrast, facilities in more constrained markets face increasing challenges in meeting next-generation power and cooling requirements. For instance, Singapore addresses power constraints through government schemes, while South Korea has restricted new projects within Greater Seoul to 10MW.

Higher construction costs and longer lead times are also shaping supply. This reinforces the importance of sites that can be delivered quickly and with sufficient on-site power. In response, investors and operators are prioritising built-to-suit projects, infrastructure partnerships, and local development alliances. These strategies help secure power access and navigate regulatory complexity.

“Asia Pacific’s data centre market is undergoing a significant reordering,” said [Ada Choi](#), Head of Research, Asia Pacific for CBRE. “Growth is shifting from traditional Tier I markets toward power-advantaged locations. As AI adoption accelerates, Asia Pacific is expected to remain one of the most important global growth regions, with attractive opportunities in power-secure, AI-ready markets.”

To read the full report, [click here](#).

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