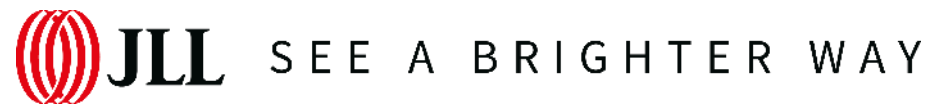


North America Data Center Report

The data center sector shifts into hyperdrive



Research

North America
Year-end 2025

jll.com



A note from the author

The Data Center Solutions team at JLL has introduced several enhancements in the latest North America Data Center Report, including expanded hyperscale coverage and the addition of more than 40 markets to our analysis.

This report references mature markets (such as Northern Virginia, Dallas and Chicago) as well as frontier markets, encompassing territories previously categorized as secondary or tertiary.

Some figures may look different from prior editions. Market sizes will appear larger, reflecting the inclusion of owner-occupied hyperscale capacity, while vacancy rates are lower due to a significantly expanded inventory base. All historical time series have been updated to align with this enhanced dataset.

As the data center industry continues to evolve rapidly, JLL is evolving alongside it—delivering deeper, more comprehensive market intelligence. We look forward to partnering with you to evaluate, scale and optimize your data center strategy.

Andrew Batson
JLL Global Head of Data Center Research



Key highlights



Vacancy remains at 1% for a second consecutive year, a powerful statistic that challenges bubble concerns

Additionally, 92% of the capacity under construction is precommitted, signaling that vacancy is likely to remain in the low single digits through 2030.



Texas could overtake Virginia as the largest global data center market by 2030 based on the development pipeline

64% of the data center capacity under construction is located in frontier markets. Key beneficiaries include West Texas, Tennessee, Wisconsin and Ohio.



Surging investment levels reflect strong institutional confidence in the sector's outlook

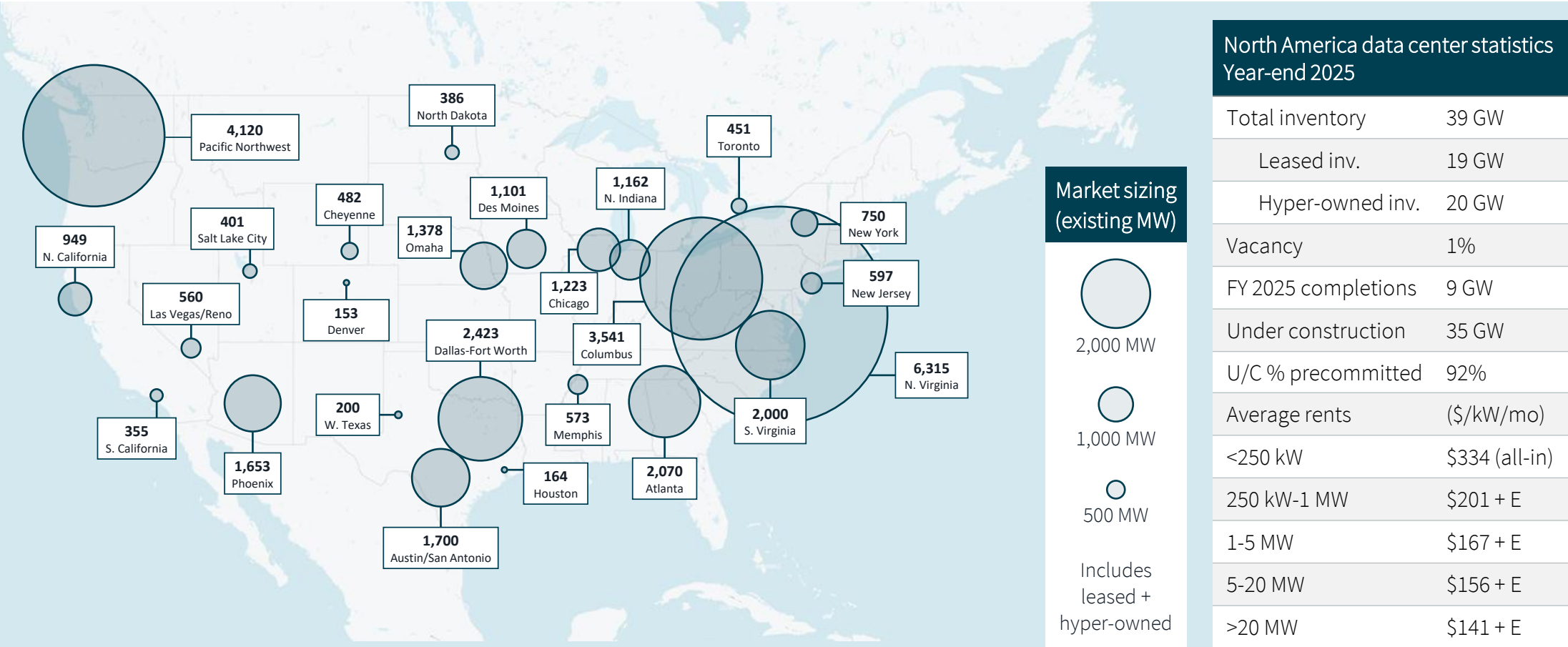
The convergence of abundant debt capital, transformative AI demand and aggressive investment capital has positioned data centers as one of the most dynamic sectors in commercial real estate.

01

Market Dynamics



North America data center markets



Vacancy remains at 1% for a second consecutive year, a powerful statistic that challenges bubble concerns

Vacancy remains at a record low of 1% for the second consecutive year, despite unprecedented construction levels. This reflects sustained structural demand rather than cyclical imbalance.

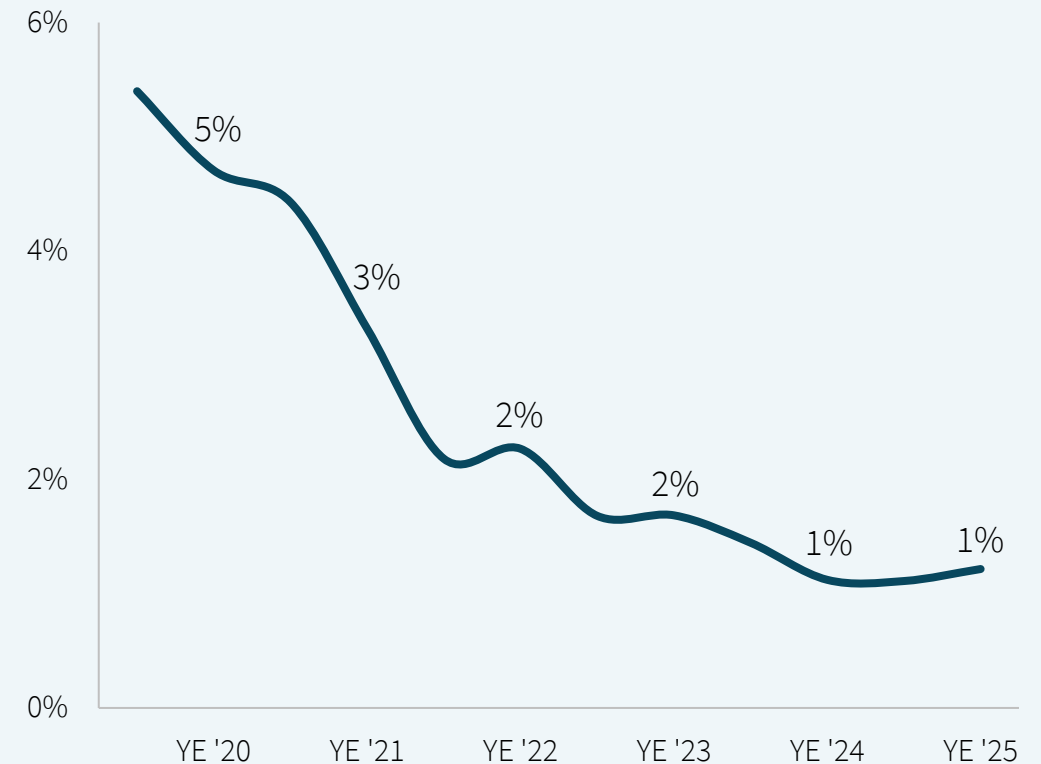
Available capacity is limited to small, fragmented blocks, offering little flexibility for large-scale deployments. Most tenants securing space today are contracting for deliveries in 2027 or 2028, underscoring the depth and durability of forward demand.

At the same time, constrained availability is limiting the risk of overbuilding. Bubble concerns are difficult to reconcile with 99% sector occupancy, particularly given that the largest data center tenants rank among the most profitable and highest-rated companies globally. While pockets of risk remain—primarily tied to a narrow subset of novel business models—they represent less than 10% of future tenancy based on current developments.

Importantly, 92% of capacity currently under construction is precommitted, either through binding lease agreements or owner-occupied development. Taken together, these dynamics point to vacancy remaining in the low single digits through 2030.

With 92% of the development pipeline precommitted, vacancy is likely to remain near zero for several years

North America data center vacancy (%)



Source: JLL Research. Note: vacancy reflects leased and hyper-owned inventory.

The data center map is being redrawn; 64% of capacity under construction is located in frontier markets

More than 35 GW of data center capacity is under construction in North America, an extraordinary volume by historical standards. For context, this is roughly equivalent to the annual electricity consumption of the UK or Italy.

Of this pipeline, nearly 60% is leased, while the remaining 40% will be owner-occupied by hyperscalers. While hyperscalers have long maintained hybrid portfolios, the balance has shifted materially. Owner-occupied development has increased from 20% of construction totals in the 2010s to 40% today.

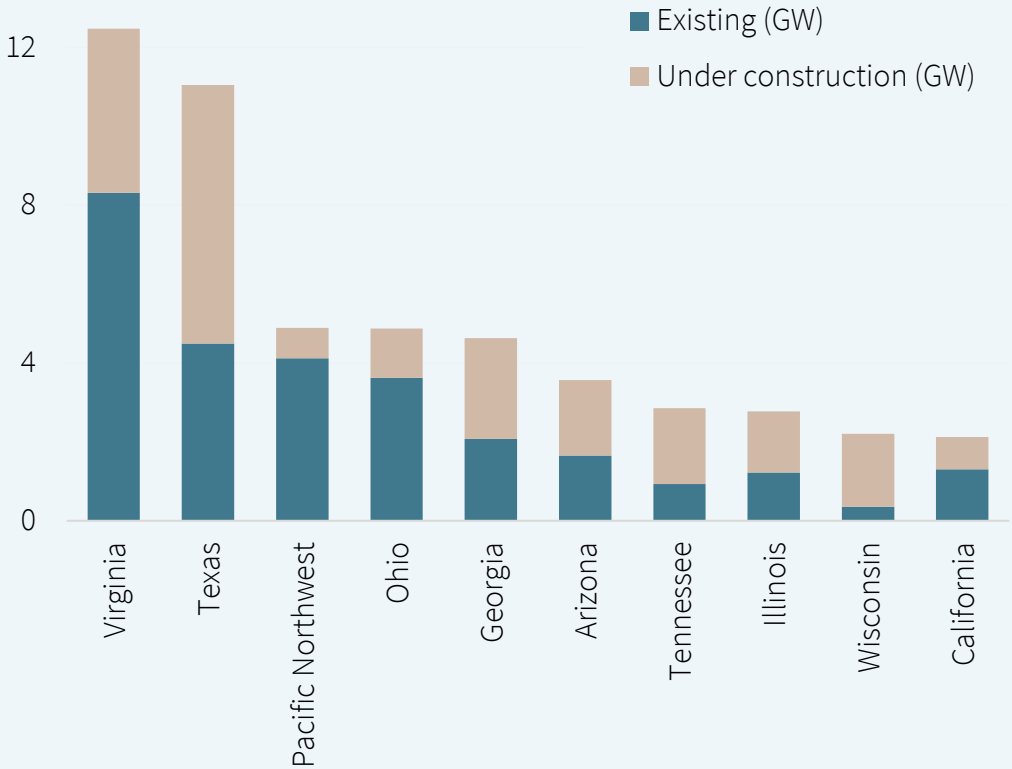
Development activity in frontier markets has accelerated rapidly. Today, 64% of capacity under construction is located in frontier markets. Key beneficiaries include West Texas, Tennessee, Wisconsin and Ohio.

Texas, when viewed as a single market, could overtake Northern Virginia as the world’s largest data center market by 2030. Abundant energy resources, ample land availability and a business-friendly operating environment support this trajectory.

Project scale has also expanded sharply. JLL is tracking more than ten projects of 1 GW or more currently under construction, a threshold that would have been exceptional just a few years ago.

Texas could overtake Virginia as the largest global data center market by 2030 due to plentiful land and energy

2025 year-end leased data center + hyper-owned capacity (GW)



Source: JLL Research

The top five hyperscalers set the tone for 2026 with \$710 billion in planned CapEx

Recent demand data reinforces the central role of hyperscalers. Through a combination of leasing and ownership strategies, they currently account for about 65% of all data center demand in North America.

By contrast, enterprise demand from sectors such as finance, media and healthcare has declined to a combined 27% of demand, reflecting continued cloud migration and the evolution of hybrid deployment models.

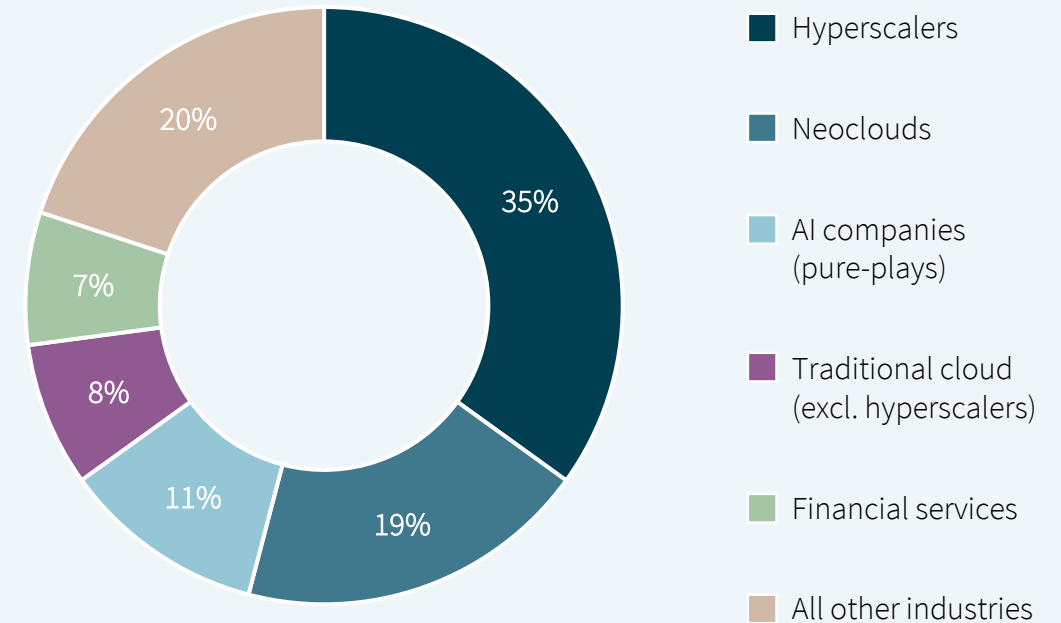
Neocloud providers moved into the spotlight in 2025, led by CoreWeave and followed by dozens of platforms. This neocloud cohort was associated with approximately 1 GW of announced projects in 2025, frequently located in non-traditional markets and developed with non-traditional data center partners.

Pure-play AI companies remain a powerful driver of incremental demand. OpenAI and Anthropic alone were linked to roughly 10 GW of project announcements in 2025, with capacity expected to be delivered and absorbed in phases over the coming years.

Looking ahead, the top five hyperscalers have announced \$710 billion of planned 2026 CapEx, sufficient to support 35 GW of new or refreshed capacity globally. These commitments set the direction and pace for the industry.

Data center demand shifts into hyperdrive, fueled by recently unlocked AI capabilities

2026 data center tenant demand by user type (% of GW)



Source: JLL Research

With rents up 60% since 2020, landlords are capturing significant rent spreads on renewals

Data center rents increased 9% year-over-year, broadly in line with the five-year CAGR of 10%, reinforcing the durability of pricing momentum.

Rent growth was broad-based across all deal sizes in 2025, with a clear divergence by scale. Listings greater than 1 MW increased 13% on average, compared with 4% growth for listings below 1 MW.

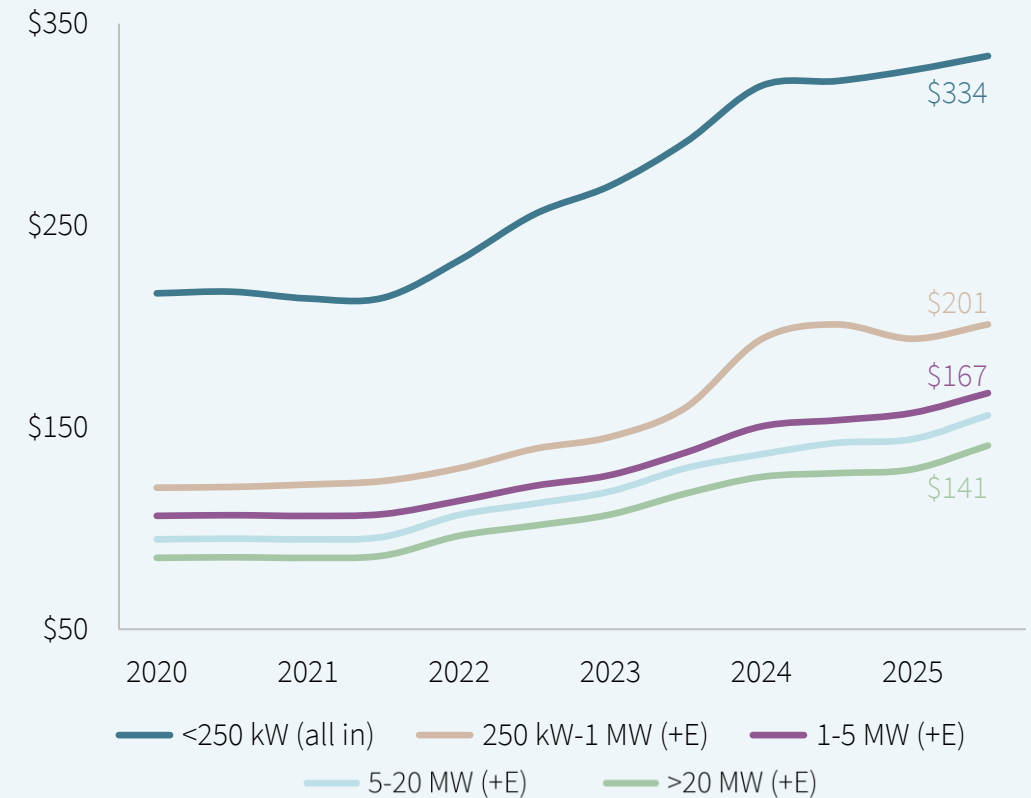
With vacancy across North America near 1%, supply scarcity remains acute. The primary factor moderating rent growth is developer competition to secure tenant commitments. Rent growth through 2030 is estimated at a 7% CAGR.

Landlords are capturing significant rent spreads on renewals, while tenants continue to experience pronounced sticker shock on new leases. Most leases being executed today include annual escalations of 3% or more, with little to no concessions.

Rent premiums are common for early-stage tenants, reflecting the higher risk profile borne by landlords. In some cases, third-party backstops have reduced perceived risk, with pricing adjusting accordingly. Meanwhile, rents in frontier markets can sometimes be comparable to those in mature markets, driven by the leasing risk premium associated with less-established locations.

Data center rents increased 9% year-over-year, reinforcing the durability of pricing momentum

North America data center lease rates (\$/kW/mo)



Source: JLL Research

Developers that bring solutions to utility negotiations are often able to accelerate connection timelines

Large-load tariffs have helped condense grid interconnection queues, yet grid connection timelines for data centers still average four years or longer across much of North America. Developers that bring solutions to utility negotiations—including phased demand, load flexibility, or supplemental power—are often able to secure accelerated connection timelines.

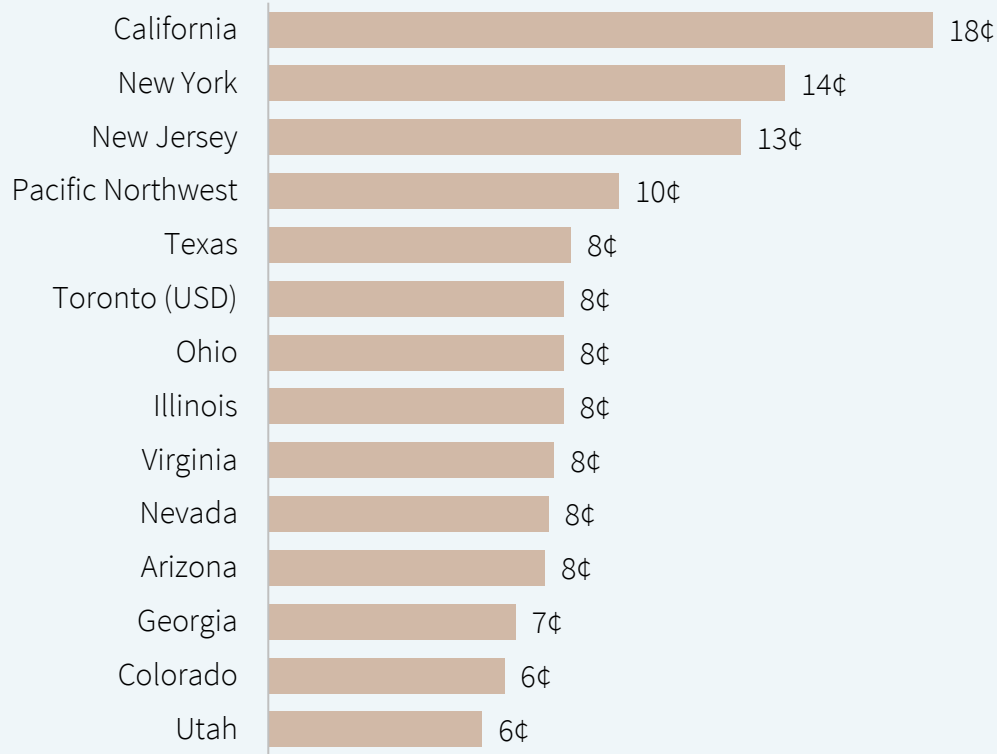
Given extended grid lead times, developers are increasingly deploying bridge solutions and permanent onsite power strategies. Onsite natural gas remains the dominant approach, including expanded use of mobile gas turbines for interim capacity and growing deployment of permanent onsite generation. Despite this shift, a grid connection remains the preferred long-term outcome. Only a small share of projects are being developed as fully islanded facilities.

Hyperscalers and several of the largest operators now fully offset their data center energy consumption with renewable energy, reinforcing the influence of sustainability commitments on site selection, design and operations.

Battery energy storage systems (BESS) are gaining significant traction as a solution for reliability and peak management. Several gigawatts of deployments were announced in 2025 in connection with data center projects.

A grid connection remains a preferred long-term outcome for nearly all data center developments

North America commercial electricity rates (¢/kWh)



Source: JLL Research

02

Capital Markets



Surging investment levels reflect strong institutional confidence in the sector’s outlook

The debt markets for data center assets maintained exceptional liquidity throughout 2025, reflecting strong institutional confidence in the sector's fundamentals.

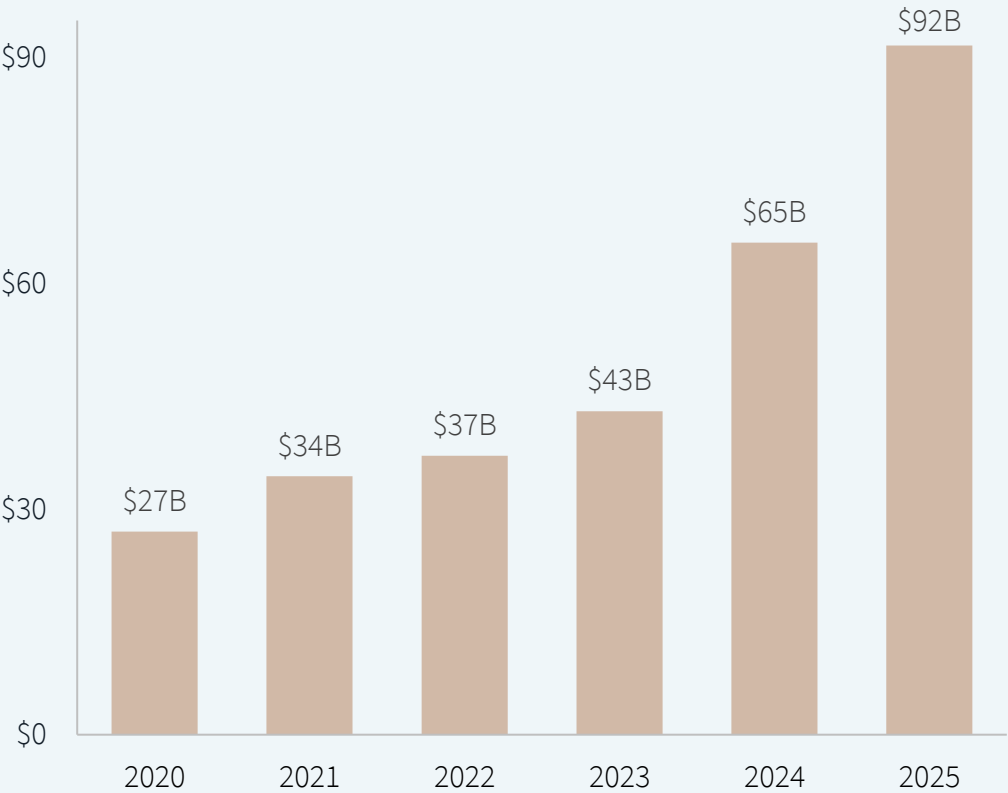
This liquidity surge coincided with a pivotal year for artificial intelligence infrastructure, as emerging AI companies and next-generation cloud service providers executed large-scale lease agreements requiring substantial capital commitments.

This convergence of abundant debt capital, transformative AI demand and aggressive investment capital has positioned data centers as one of the most dynamic sectors in commercial real estate, with growth fundamentals supporting continued expansion across all capital market segments.

Beyond asset-level transactions, the data center industry experienced its largest M&A announcement by a consortium of infrastructure investors and tech giants acquiring Aligned Data Centers for \$40 billion. The deal was announced in October 2025 and is expected to close in the first half of 2026, subject to regulatory approvals.

Debt markets for data center assets maintained exceptional liquidity throughout 2025

Data center debt origination (\$ billions)



Source: JLL Research. Note: includes new construction debt origination and existing asset refinancing.

Growing transaction sophistication reflects the data center sector’s maturation

Data center asset-level disposition sales reached \$1.5 billion in 2025, maintaining consistent volume compared to previous years. However, the market demonstrated increasing sophistication through more complex transaction structures, including forward sales, joint ventures and preferred equity arrangements.

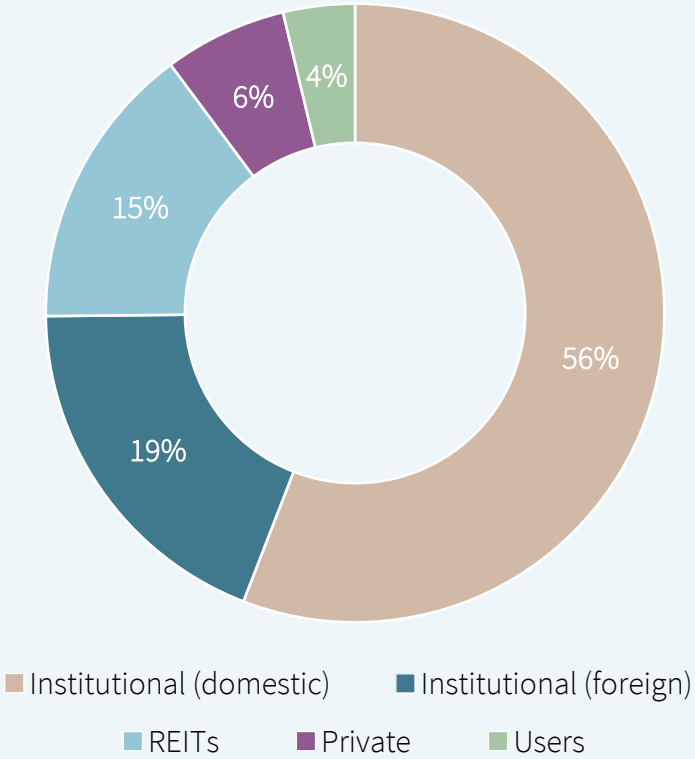
A notable example of this evolution was the uniquely structured \$30 billion private capital joint venture between Blue Owl and Meta executed in 2025, highlighting the scale and complexity of modern data center transactions.

The market also saw significant growth in forward sale agreements, which are contractual commitments to sell assets at predetermined prices on specific future dates. While these forward sales represent substantial future transaction volume, they are not reflected in the 2025 recorded activity figures, suggesting actual market momentum may be stronger than the headline disposition numbers indicate.

This trend toward more sophisticated transaction structures reflects the data center sector's maturation and the increasing variety of capital sources and investment strategies being deployed in the space.

Data center capital sources and investment strategies are growing more diverse

2023-2025 data center buyer composition (\$ billions)



Source: JLL Research

There is strong investor appetite for mission-critical digital infrastructure with long-term income streams

Data center stabilized loan activity achieved all-time high volumes in 2025, dominated by asset-backed security (ABS) and single-asset single-borrower (SASB) transactions.

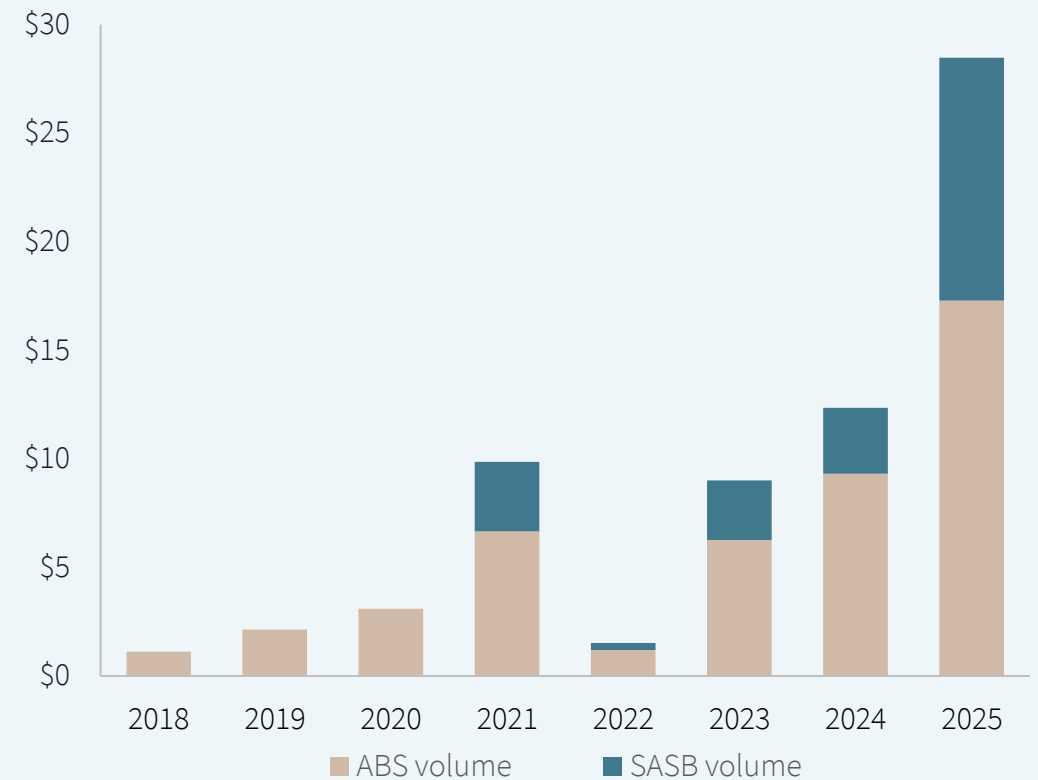
ABS loans, which are packaged into securities with the underlying loans serving as collateral for investors, proved particularly well-suited for stabilized data centers. These transactions typically involve large-scale facilities with long-term credit leases, making them attractive assets for securitization due to their predictable cash flows and creditworthy tenant base.

Total ABS volume exceeded \$17 billion in 2025, nearly doubling from the previous year. This dramatic growth reflects both the maturation of data center assets as an institutional investment class and the strong investor appetite for securities backed by mission-critical digital infrastructure with stable, long-term income streams.

The surge in securitization activity demonstrates the data center sector's evolution into a mainstream commercial real estate asset class, with standardized underwriting processes and robust secondary market liquidity supporting continued lending growth.

Rising securitization volume demonstrates the sector's evolution into a mainstream asset class

Data center ABS and SASB loan volume (\$ billions)



Source: JLL Research

ABS and SASB loans have emerged as key financing tools for capital-intensive data center projects

SASB loans are commercial mortgages secured by one property and made to a single borrowing entity. These loans have become a preferred financing mechanism for stabilized data center projects due to their ability to accommodate large loan amounts that match the capital-intensive nature of data center developments.

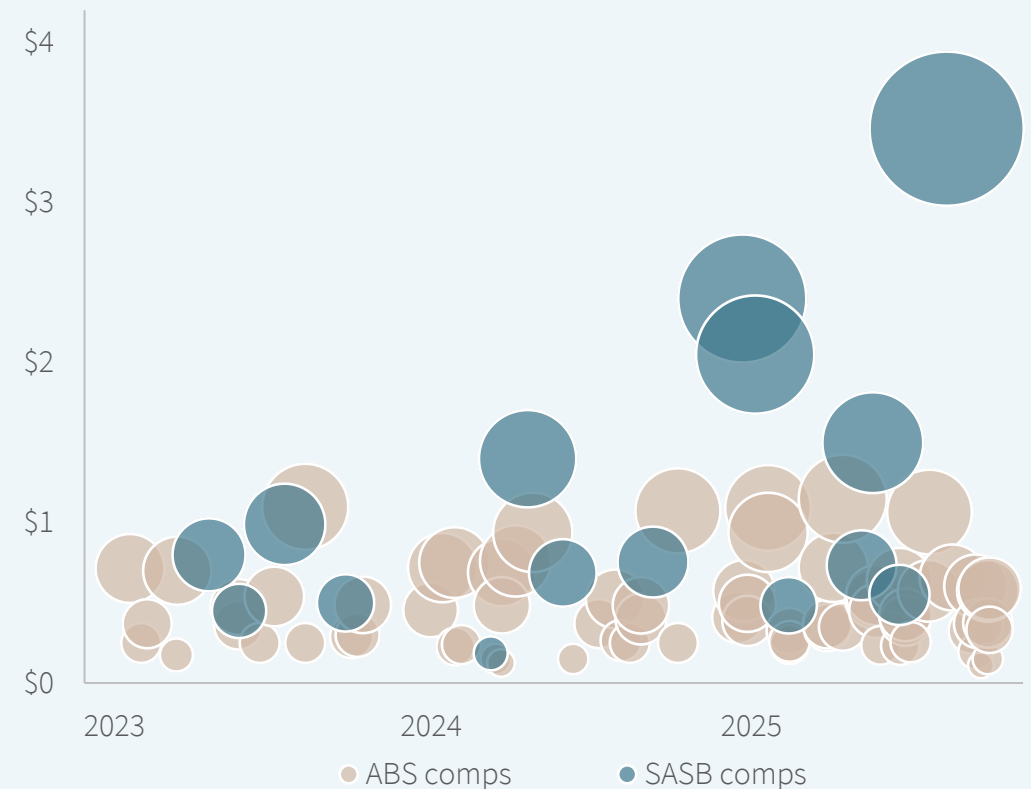
Data center SASB lending volume increased dramatically in 2025 to over \$11 billion, a three-fold increase over 2024 levels. This substantial growth reflects the increasing number of data center projects reaching operational stabilization, where they become eligible for permanent financing.

The trend of increased ABS and SASB volume is expected to continue into 2026 as additional projects currently under development achieve stabilization milestones.

This pipeline of maturing assets positions ABS and SASB lending to remain a significant component of data center financing as the sector continues its rapid expansion to meet growing digital infrastructure demand.

ABS and SASB transactions will continue to increase in individual size and aggregate deal volume

Recent ABS and SASB originations (\$ billions)



Source: JLL Research. Note: the bubble size reflects deal value.

Columbus



Key themes

- Hyperscalers and colocation providers acquired over 750 acres in New Albany despite existing power constraints, as the submarket cements itself as a destination and established availability zone.
- Activity is expanding throughout central Ohio as developers and offtakers strategize for on-site generation and fuel cell alternatives.
- Over 400 MW of new colocation capacity was commissioned in the second half of 2025. The majority was developed east of New Albany, a trend that will continue given power constraints and recent land acquisitions outside of the region.

Market overview

- Central Ohio continues to evolve as hyperscale and colocation providers navigate power constraints in New Albany. Land trades there exceed \$350,000 per acre on average, while development is shifting to other areas with more favorable pricing and interconnection timelines.
- Multiple projects were announced with plans to deploy new capacity with on-site natural gas generation. While this is a developing trend in New Albany, there have been similar announcements in other areas of the region.
- More than 400 MW was delivered in H2 2025, primarily east of New Albany, nearly doubling total colocation inventory while vacancy remained below 0.5%.

Joseph Davis | Senior Vice President | joseph.davis@jll.com

Outlook

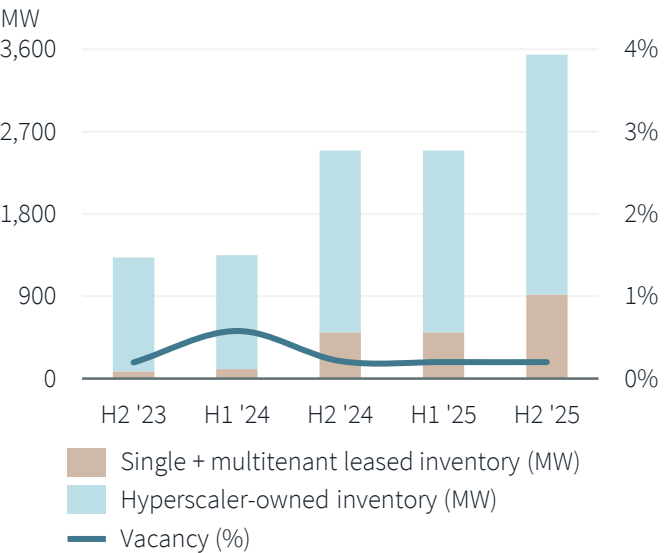
- Central Ohio’s emergence as a strategic availability zone for cloud providers means operators and end users will expand land holdings despite power constraints. Alternative solutions, such as natural gas or fuel cells, could become more prominent to accelerate new capacity.
- Grid constraints are also pushing utilities and the PJM market to consider creative solutions for large loads like data centers, which could lead to offtakers practicing load flexibility or bringing their own generation to achieve grid interconnection.
- End users and developers are expanding into adjacent areas like Northeast Ohio and Northwest Ohio, providing alternative development opportunities with faster deployment timelines. New cloud markets may emerge in other parts of Ohio in 2026.

Josh Weithman | Vice President | josh.wiethman@jll.com

Fundamentals

Total existing inventory	3,541 MW
Single + multitenant leased inventory	919 MW
Hyperscaler-owned inventory	2,622 MW
Total under construction	896 MW
Total vacancy	<1% / 6 MW
Rental rates 1-5 MW (\$/kW/mo + E)	\$125-\$165

Historical trends





Global Head of Data Center Research

Andrew Batson

andrew.batson@jll.com

Data Center Leasing Advisory Leadership Council

Andy Cvengros

andy.cvengros@jll.com

Conan Lee

conan.lee@jll.com

Curt Holcomb

curt.holcomb@jll.com

James Quinn

james.quinn@jll.com

Jeff Groh

jeff.groh@jll.com

Mark Bauer

mark.bauer@jll.com

Wendy McArthur

wendy.mcarthur@jll.com

Data Center Capital Markets

Carl Beardsley

carl.beardsley@jll.com

Data Center Work Dynamics

Matt Landek

matt.landek@jll.com

Research at JLL

JLL's research team delivers intelligence, analysis and insight through market leading reports and services that illuminate today's commercial real estate dynamics and identify tomorrow's challenges and opportunities. Our more than 550 global research professionals track and analyze economic and property trends and forecast future conditions in over 60 countries, producing unrivalled local and global perspectives. Our research and expertise, fueled by real-time information and innovative thinking around the world, creates a competitive advantage for our clients and drives successful strategies and optimal real estate decisions.

About JLL

For over 200 years, JLL (NYSE: JLL), a leading global commercial real estate and investment management company, has helped clients buy, build, occupy, manage and invest in a variety of commercial, industrial, hotel, residential and retail properties. A Fortune 500® company with annual revenue of \$23.4 billion and operations in over 80 countries around the world, our more than 112,000 employees bring the power of a global platform combined with local expertise. Driven by our purpose to shape the future of real estate for a better world, we help our clients, people and communities SEE A BRIGHTER WAYSM. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit jll.com.

© 2026 Jones Lang LaSalle IP, Inc. All rights reserved.

This report has been prepared solely for information purposes and does not necessarily purport to be a complete analysis of the topics discussed, which are inherently unpredictable. It has been based on sources we believe to be reliable, but we have not independently verified those sources and we do not guarantee that the information in the report is accurate or complete. Any views expressed in the report reflect our judgment at this date and are subject to change without notice. Statements that are forward-looking involve known and unknown risks and uncertainties that may cause future realities to be materially different from those implied by such forward-looking statements. Advice we give to clients in particular situations may differ from the views expressed in this report. No investment or other business decisions should be made based solely on the views expressed in this report.