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State of the European Data Centre Industry 2026: Growth with conditions

In collaboration with Platform Global, STL Partners surveyed 94 professionals across Europe's data centre value chain. The industry is confident, but growth now depends on power, public consent and proof of demand.



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Foreword

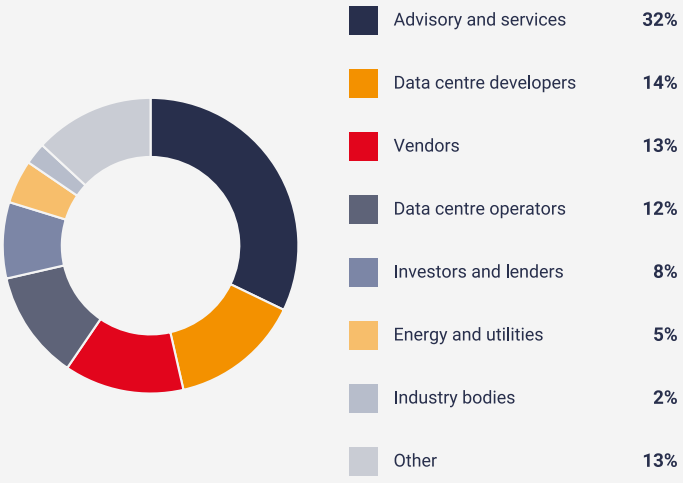
Methodology

This report presents the findings of the Platform Global & STL Partners Market Survey 2026, which STL Partners conducted in partnership with Platform Markets Group between June and September 2026. We surveyed 94 professionals across the data centre value chain. They include advisory and service firms, developers, operators, vendors, investors and lenders, energy companies and industry bodies, and around four in five work primarily in Europe.

The aim was to understand how the industry views the outlook for growth and investment, and the forces shaping where, how and for whom new capacity is built. Headline findings were first presented at Platform Global on 2 September 2026. The report also draws on questions asked of specific segments of the value chain, alongside STL Partners' research and third-party market data.

STL Partners and Platform Markets Group surveyed 94 data centre professionals between June and September 2026 on the outlook for Europe's data centre market

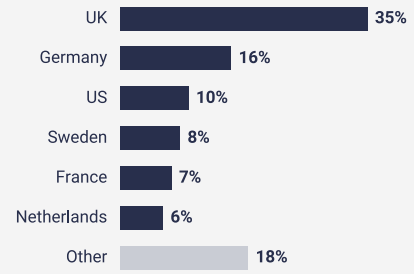
Which best describes the organisation you are from?



Primary region of work

81% work primarily in Europe; the rest cover multiple regions, the Americas, the Middle East, Africa or Asia Pacific

Respondent location



Editorial independence

This report has been prepared by independent consulting and research firm STL Partners in partnership with Platform Markets Group, organiser of Platform Global.

STL Partners maintains strict editorial independence. Mentions or allusions to companies or products in this document are intended as illustrations of market evolution and are not included as endorsements or product/service recommendations.

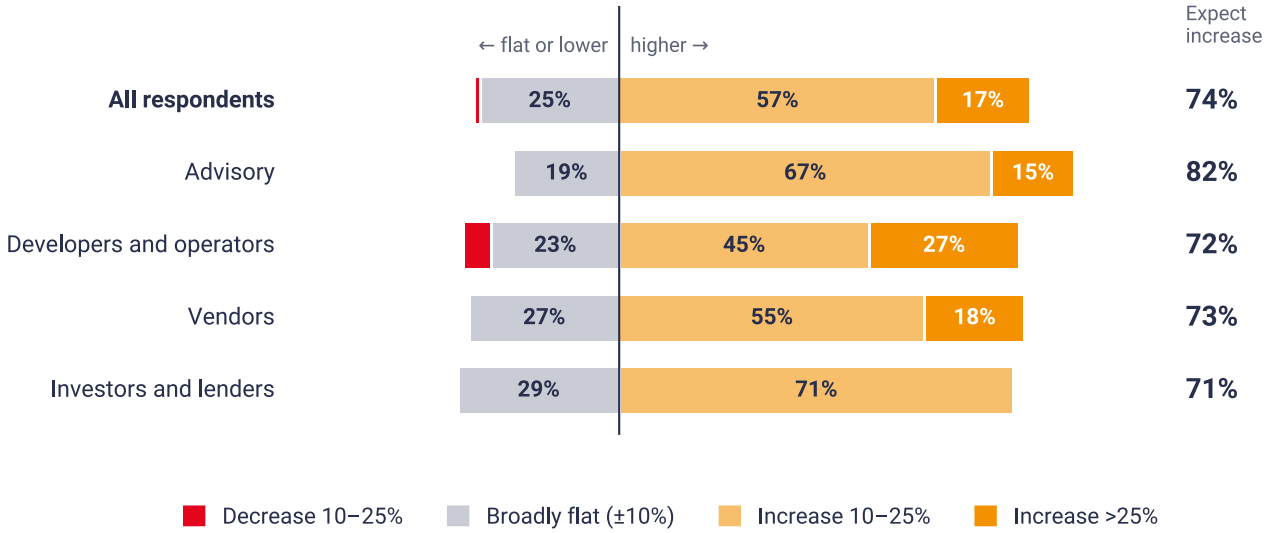
Executive summary

Europe's data centre industry is entering 2027 with confidence. Deal-makers expect another strong year, and three-quarters of respondents anticipate rising M&A activity (see Figure 1). Capital is readily available, and AI and digital sovereignty are expected to drive a new wave of demand. Most respondents see Europe's future role as a hub for AI inference rather than a leader in training frontier models, but they still expect the region to scale its AI infrastructure significantly.

Figure 1: Three-quarters of respondents expect deal activity to rise in 2027

How do you expect data centre M&A deal activity to change in 2027 compared with 2026?

Select one.



Source: Platform Global & STL Partners Market Survey 2026 (n=94)

Yet the survey makes equally clear that growth now comes with conditions. Three stand out (see Figure 2).

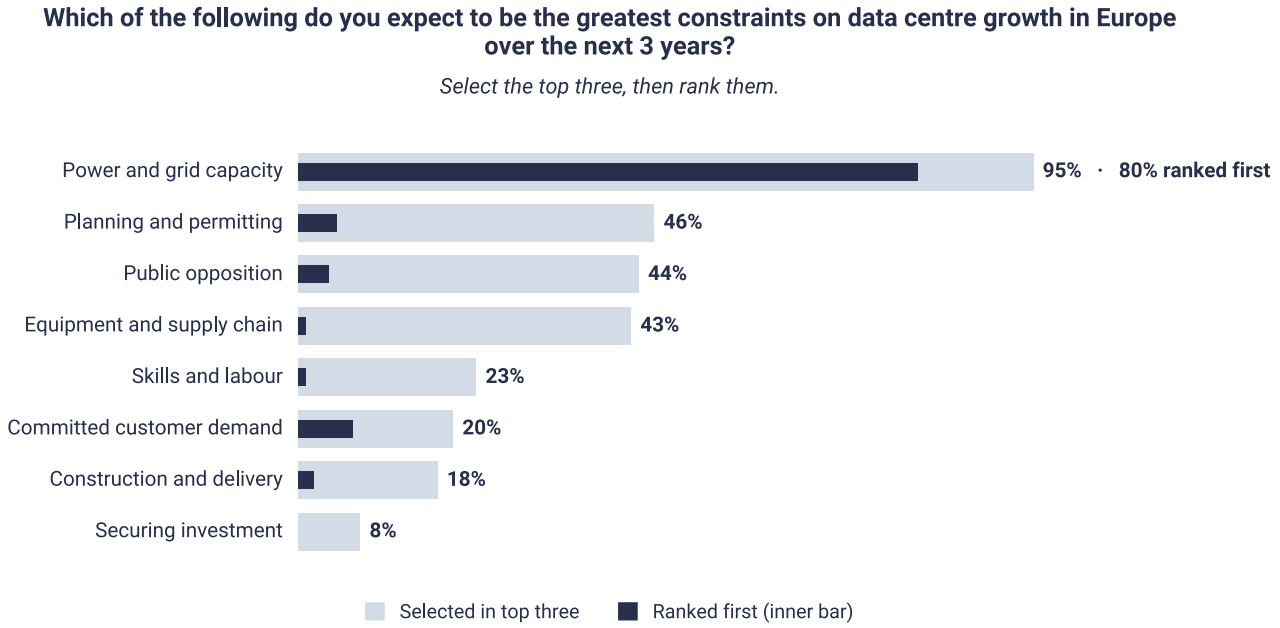
1. **Power.** Access to power and grid capacity is the constraint that outranks all others, cited by almost every respondent. It is redrawing the map of European development and pushing new capacity north towards the Nordics. Those building capacity, however, are hedging their bets across other emerging markets.

2. **Permission.** The industry's biggest uncertainty is whether it keeps public and political consent. Opposition to data centres has grown most visibly in the US and is now spreading to Europe. Planning and local acceptance have become the second gate after power. Respondents believe the route to trust lies in transparency on energy, water and land use, rather than a louder narrative.

3. **Proof of demand.** Capital is not the bottleneck, but how it is being deployed is under scrutiny. Several respondents warn that some investment is chasing announced megawatts rather

than validated demand. They see customer concentration among a small number of high-growth customers, such as neoclouds, as the risk the industry underrates most.

Figure 2: Access to power and grid capacity is by far the biggest constraint on growth, and 80% rank it first



Source: Platform Global & STL Partners Market Survey 2026 (n=94)

Technology adds a further layer of uncertainty. The industry is markedly more sceptical of NVIDIA's lead than the capital markets are. Customers, meanwhile, increasingly want flexibility and speed of deployment as much as density. Facilities designed around a single chip roadmap or workload profile risk being built for the wrong future.

For investors and operators, discipline rather than ambition is becoming the differentiator. Three priorities follow:

1. **Engage regulators and communities early and with evidence**, demonstrating transparency on resource use and the local value each project brings.

2. **Understand the customer before specifying the asset**, so that commercial strategy drives technical strategy and facilities can adapt as requirements change.

3. **Upweight commercial due diligence,** testing tenant and counterparty risk and validating the underlying demand for each asset rather than relying on announced capacity.

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Introduction: Europe's data centre market is confident, but growth now comes with conditions

Europe's data centre market has grown rapidly. Operational capacity across EMEA reached 12.1 GW in the first half of 2026, up 36% in two years. A further 3.8 GW is under construction and 14.5 GW is in planning[1]. In the core FLAP-D colocation markets, vacancy has fallen to 6.4%, from a peak of 16.9% in 2021[2]. Demand from cloud and AI, the growing priority attached to digital sovereignty and the continued availability of capital all point to further expansion.

Yet the conditions under which that growth takes place are changing. Power has become the defining constraint on where, and how quickly, capacity can be built. Planning systems and local communities are scrutinising data centre development more closely. And the pace of change in AI hardware is raising questions about how long today's facility designs, and the demand assumptions behind them, will hold.

To understand how the industry sees this balance, **STL Partners** and **Platform Markets Group** surveyed 94 professionals across the data centre value chain between June and September 2026 on the outlook for growth and investment, and on the forces shaping where, how and for whom new capacity is built.

[1] Cushman & Wakefield, September 2026
[2] JLL, August 2026

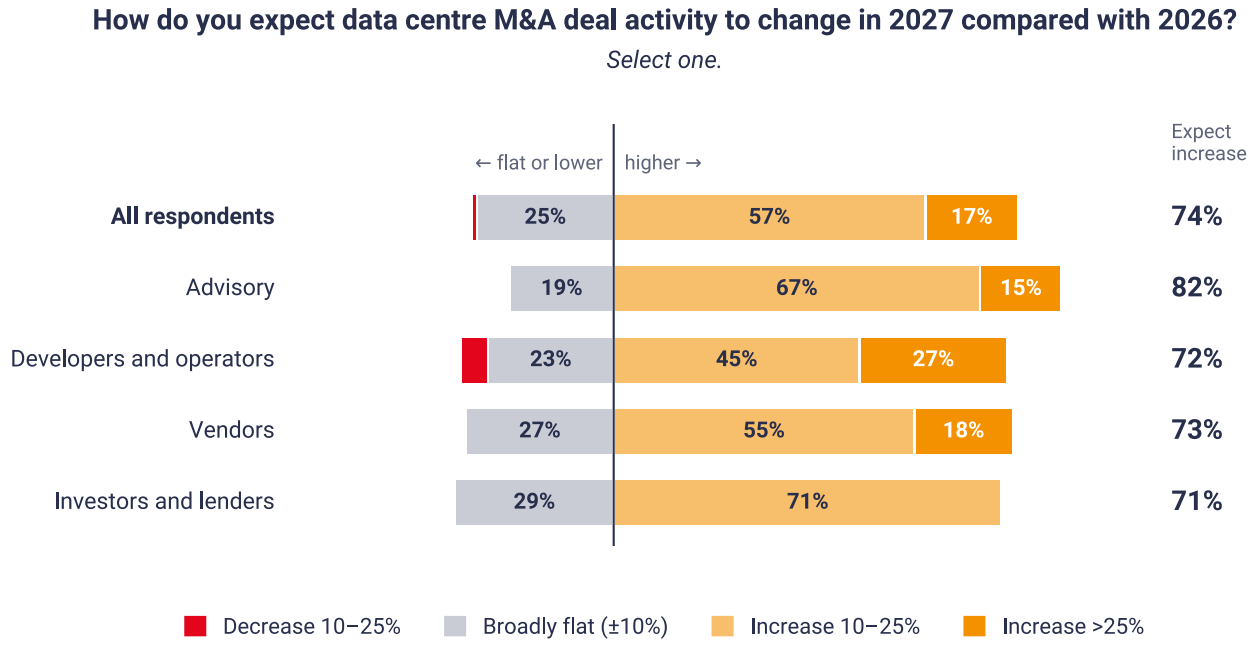
Deal-makers expect another strong year, but want discipline back in the market

Confidence in the European data centre market is high. Respondents expect deal activity to keep growing and see little difficulty in raising capital. However, those providing capital are more measured than those deploying it, and many respondents are uneasy about how rigorously that capital is being allocated.

Three-quarters of respondents expect deal activity to rise in 2027

Asked how they expect European data centre M&A activity to change in 2027 compared with 2026, 74% of respondents expect an increase: 57% expect activity to rise by 10–25%, and 17% by more than 25% (see Figure 3). A quarter expect activity to remain broadly flat, and just one respondent expects a decline.

Figure 3: Three-quarters of respondents expect deal activity to rise in 2027



Source: Platform Global & STL Partners Market Survey 2026 (n=94)

This optimism follows a period of record activity. Global data centre M&A reached $69 billion across 113 deals in 2025[3]. In Europe, large platform transactions have continued into 2026, including CPP Investments and Equinix's $4 billion acquisition of Nordic operator atNorth, completed in September 2026[4], and the €8 billion European platform established by Goodman and CPP Investments.

[3] S&P Global Market Intelligence
[4] Equinix

Capital is not the bottleneck, but those providing it are more measured

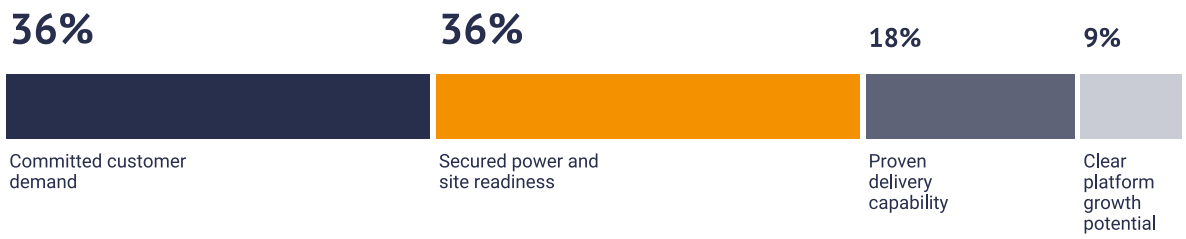
Securing investment is the least-cited constraint on growth, with fewer than one in ten respondents placing it among their top three (see Figure 6). Nonetheless, investors and lenders are less exuberant than those deploying capital. None of the investors and lenders surveyed expect M&A activity to grow by more than 25% in 2027, compared with 27% of developers and operators.

Developers and operators were asked what will matter most in securing investor backing for new projects. Their answers point to two requirements in equal measure, committed customer demand and secured power and site readiness, each chosen by 36% (see Figure 4). Both are well ahead of proven delivery capability (18%) and platform growth potential (9%).

Figure 4: Investor backing hinges on committed customer demand and secured power in equal measure

What will matter most in securing investor backing for new data centre projects?

Select one. Asked of developers and operators.



Source: Platform Global & STL Partners Market Survey 2026 (developers and operators)

Signs of froth are prompting calls for greater discipline

Several respondents are concerned that investors are becoming more speculative and business cases less rigorous, with some capital chasing announced megawatts rather than validated demand.

Financial regulators share elements of this concern. The Bank of England notes that more than half of external data centre financing over 2026–28 could be debt [5]. The IMF warns that stretched valuations and concentration in AI-related firms raise downside risks for the financial system [6]. For investors and operators alike, the quality of underlying demand, not the volume of announced

> "Bring more discipline back into the market. Investment needs to follow credible demand, secured power and deliverable projects rather than increasingly optimistic assumptions about future AI growth and valuation."
>
> ***Industry body United Kingdom***

[5] Bank of England, July 2026
[6] IMF, April 2026

capacity, is becoming the critical test of any investment. That makes rigorous commercial due diligence crucial.

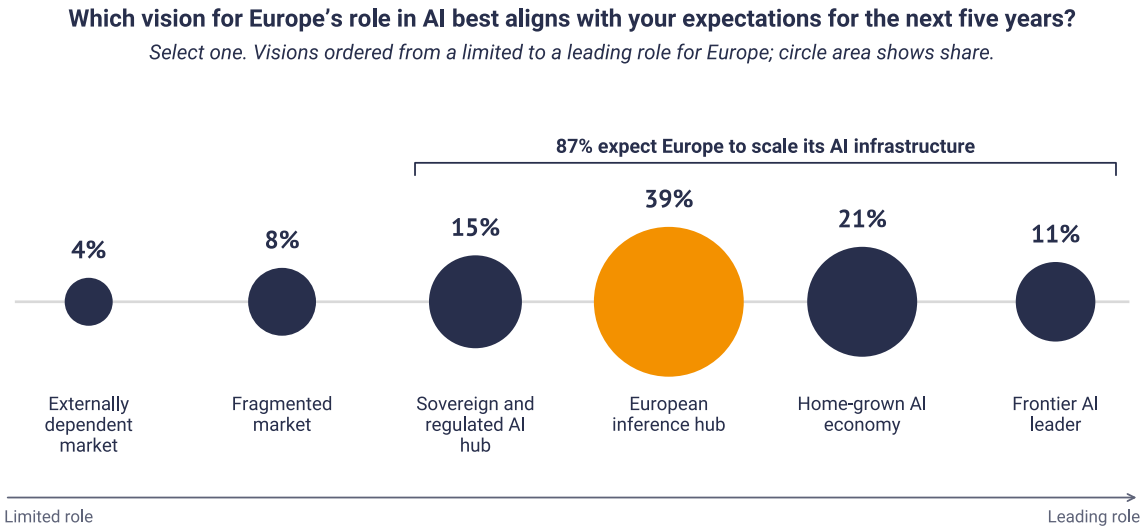
AI and sovereignty create demand, and power determines where it is implemented

Respondents expect AI and sovereignty to drive a new wave of data centre capacity in Europe. However, the defining constraint on that growth is power, and where power is available is pushing development north and out of the traditional FLAP-D hubs.

Europe is expected to become an AI inference hub rather than a frontier-AI leader

In total, 87% of respondents expect Europe to scale its AI infrastructure over the next five years. However, the nature of that role matters. Asked which vision best matches their expectations, the largest group (39%) sees Europe as an AI inference hub, hosting most AI inference for European consumers and enterprises but remaining largely reliant on US-led or global AI platforms (see Figure 5). A further 21% expect a home-grown AI economy built around sector-specific, enterprise and industrial AI, and 15% expect a sovereign and regulated AI hub. Only 11% expect Europe to become a hub for training frontier models.

Figure 5: Most respondents see Europe as an AI inference hub rather than a frontier-AI leader



Source: Platform Global & STL Partners Market Survey 2026 (n=94)

Sovereignty is expected to be a key demand driver within this. Over three-quarters (77%) of respondents expect sovereign AI to create net-new demand, and 46% expect that demand to be significant across most European economies.

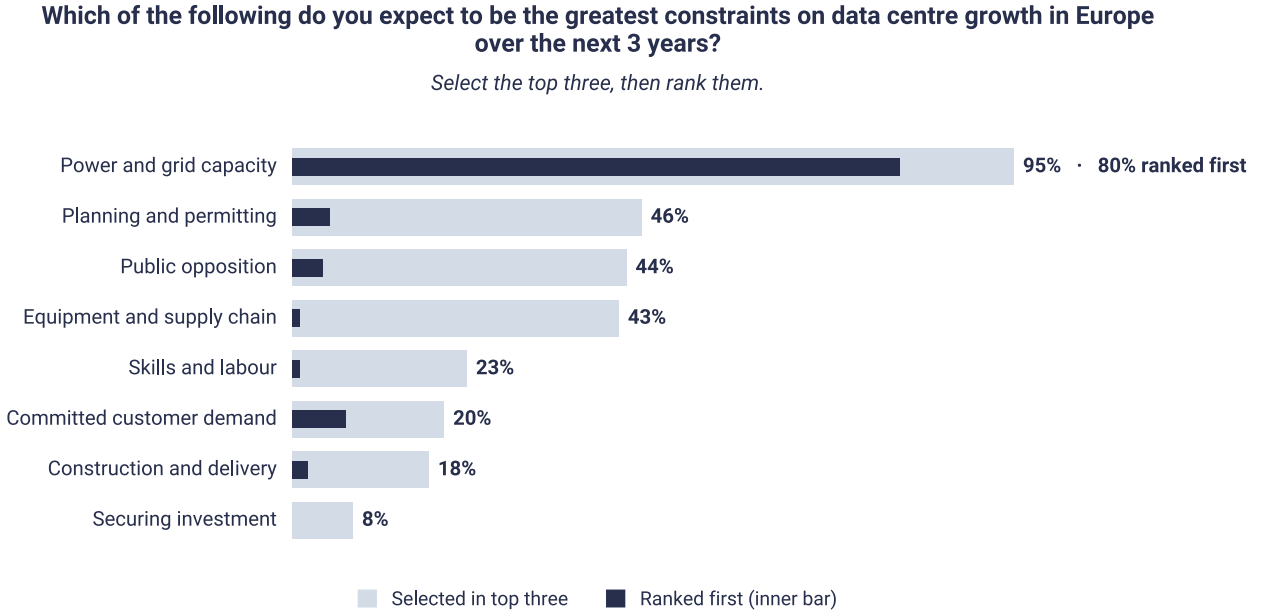
Policy is moving in the same direction in Europe. The European Commission's AI Continent Action Plan aims to triple EU data centre capacity within five to seven years[7]. Its call for AI gigafactories offers up to €10 billion in EU and national funding for up to seven facilities, and closes in November 2026[8]. The proposed Cloud and AI Development Act includes an EU-wide framework for assessing cloud and AI sovereignty[9]. Industry interest in the gigafactories is strong. STL Partners' analysis of the initiative found 76 submissions covering 60 sites in 16 member states, with each gigafactory requiring 200–500 MW of capacity (see STL Partners' article on the EU AI Gigafactory initiative).

In the UK, the 2026 Budget announced a new Data Centre Covenant that will test strategic data centres on their contribution to local communities and the UK economy, in return for government support for the capacity needed for technological sovereignty, alongside an additional £140 million for the Sovereign AI Unit[10].

In Europe, power is the constraint that outranks all others

Asked to identify the greatest constraints on data centre growth in Europe over the next three years, 95% of respondents place access to power and grid capacity in their top three, and 80% rank it first (see Figure 6). No other constraint comes close. Planning, permitting and regulatory approvals (46%), public opposition and local acceptance (44%) and equipment and supply chain constraints (43%) follow some way behind.

Figure 6: Access to power and grid capacity is by far the biggest constraint on growth, and 80% rank it first



Source: Platform Global & STL Partners Market Survey 2026 (n=94)

[7] European Commission, April 2025
[8] European Commission, July 2026
[9] European Commission, June 2026
[10] HM Treasury, October 2026

Wider data confirms the scale of the challenge. Data centre electricity consumption in the EU is projected to rise from 68 TWh in 2024 to 114 TWh by 2030[11]. Grid connection waits can run to five to ten years in many jurisdictions[12]. In the FLAP-D markets, the effects are already visible. In Ireland, new large data centres must now provide onsite or nearby dispatchable generation or storage[13]. In the Netherlands, grid operator TenneT has said there will be no spare capacity across much of Noord-Holland for a decade[14].

Power also dominates expectations for innovation. Asked where operational innovation will create the greatest value over the next three years, 42% of respondents point to power infrastructure and energy management. Vendors are the exception, with most pointing instead to modular design and flexible architectures.

> "Proper due diligence first means assessing access to power/grid prior [to] announcing big MW projects."
>
> ***Survey respondent***
> ***Germany***

Beyond power, each part of the value chain sees its own bottleneck (see Figure 7). Vendors are most concerned about equipment availability and supply chains (73%), and advisors about planning and permitting (63%). Developers and operators are more than twice as likely as respondents overall to cite securing committed customer demand (45%, compared with 20%).

Figure 7: After power, each part of the value chain sees a different bottleneck

Greatest constraints on data centre growth in Europe over the next 3 years, by respondent segment

Share placing each constraint in their top three. Darker = more often cited.

	All	Advisory	Developers and operators	Vendors	Investors and lenders
Power and grid capacity	95%	96%	95%	82%	100%
Planning and permitting	46%	63%	32%	36%	29%
Public opposition	44%	44%	36%	36%	43%
Equipment and supply chain	43%	37%	45%	73%	43%
Skills and labour	23%	22%	9%	27%	43%
Committed customer demand	20%	15%	45%	0%	14%
Construction and delivery	18%	19%	18%	27%	14%
Securing investment	8%	4%	18%	18%	0%

Source: Platform Global & STL Partners Market Survey 2026 (segments shown)

[11] European Commission, September 2026
[12] IEA, April 2026
[13] William Fry, December 2025
[14] TenneT, December 2024

The Nordics lead the race outside FLAP-D, but those building capacity are hedging

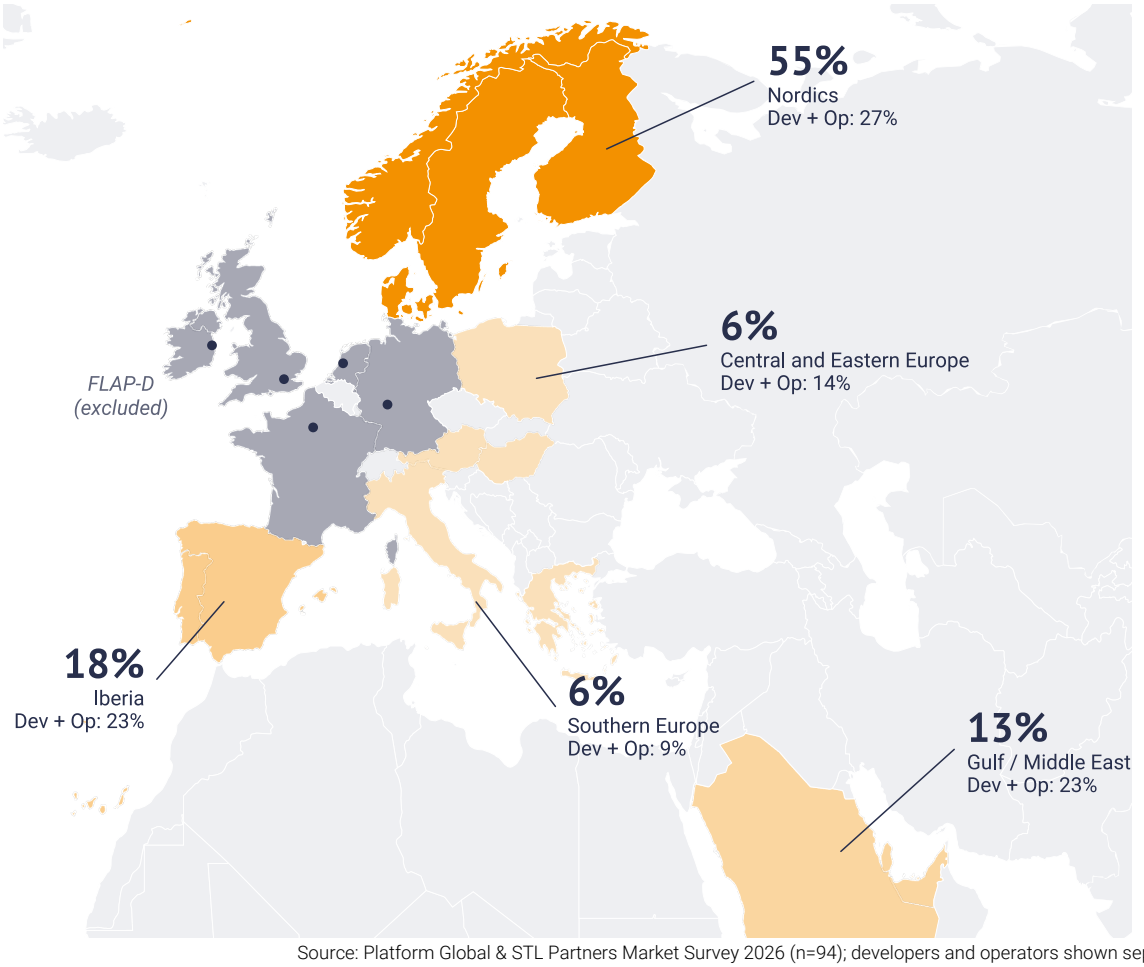
Over half (55%) of respondents expect the Nordics to become the fastest-growing data centre expansion zone in EMEA outside FLAP-D over the next three years. That puts the Nordics well ahead of Iberia (18%) and the Gulf (13%) (see Figure 8).

Those building the capacity, however, are spreading their bets. Only 27% of developers and operators pick the Nordics, while 23% pick Iberia and 23% the Gulf. By contrast, 73% of vendors and 67% of advisors pick the Nordics. Developers also point to scale as much as to geography. Half see larger campus-style developments as the biggest opportunity over the next five years. They expect growth in existing secondary markets to gain the most momentum, ahead of large campuses in new rural regions.

Figure 8: The Nordics are the clear favourite outside FLAP-D, but developers and operators spread their bets

Which non-FLAP-D region in EMEA do you expect to become the fastest-growing new data centre expansion zone over the next 3 years?

Select one. Shading shows share of all respondents; developers and operators in brackets.



Source: Platform Global & STL Partners Market Survey 2026 (n=94); developers and operators shown separately

STL Partners' *Europe's North Star* report finds that power constraints in the established hubs are pushing new capacity north. There, abundant renewable energy and a cool climate that allows free cooling give the Nordics a 10-year total cost of ownership around 30% below FLAP-D: $20.86 million per MW, compared with $29.86 million (see STL Partners' report on why the Nordics are becoming the frontier zone for AI data centres). However, that advantage is not guaranteed. The Nordic power surplus is forecast to almost halve, from 53 TWh in 2026 to 29 TWh by 2030, and workforce capacity is an emerging constraint. These limits may help explain why those building capacity are hedging their bets.

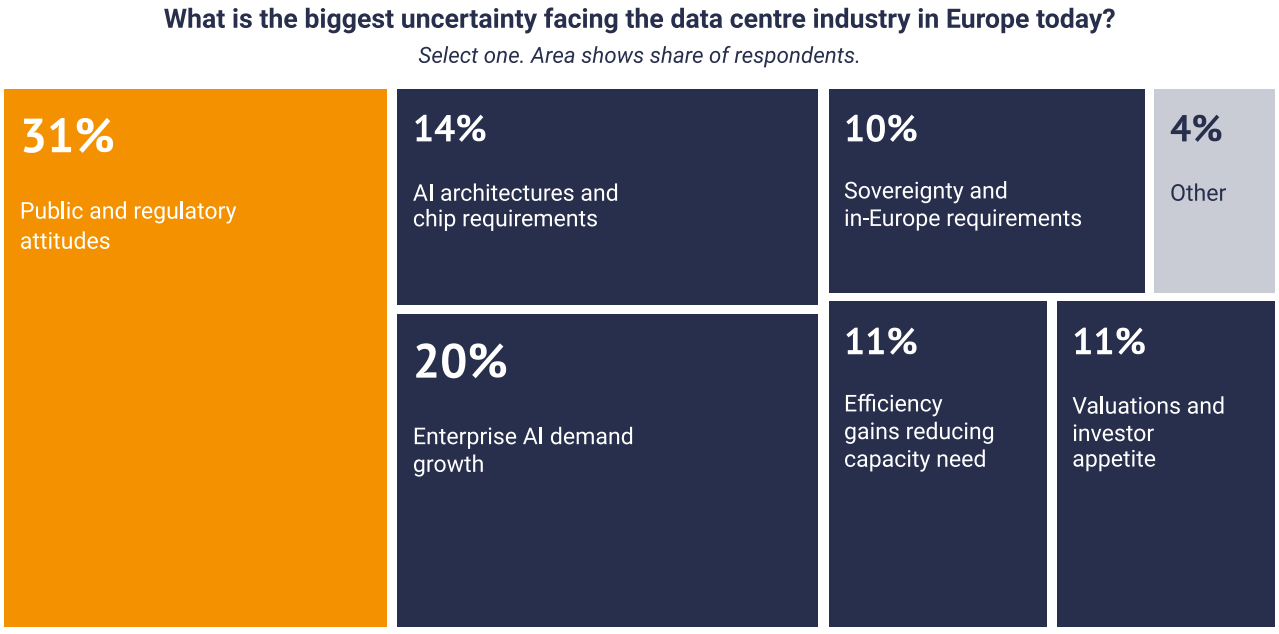
The industry's biggest uncertainty is whether it keeps public and political consent

Power determines where capacity can be built; public and political consent increasingly determines whether it can be built at all. Respondents see the industry's licence to grow as its biggest single uncertainty, and believe the response lies in greater transparency. Opposition to data centres has grown most markedly in the US, but negative sentiment is now spreading to Europe.

Public and regulatory attitudes are the biggest uncertainty facing the industry

Asked to name the single biggest uncertainty facing the data centre industry in Europe, 31% of respondents point to how public and regulatory attitudes towards data centres will evolve (see Figure 9). This is ahead of whether enterprise AI usage will grow as fast as forecast (20%) and how AI architectures and chip requirements will evolve (14%).

Figure 9: Public and regulatory attitudes are the industry's biggest uncertainty



Source: Platform Global & STL Partners Market Survey 2026 (n=94)

Concern is highest among those with capital at stake and those advising them. Public and regulatory attitudes are named by 43% of investors and lenders and 41% of advisors, compared with just 9% of vendors.

Permission is becoming the second gate after power

This uncertainty is already constraining delivery. Planning and permitting (46%) and public opposition (44%) are the second- and third-most-cited constraints on growth (see Figure 6).

Recent events show how quickly local consent can become a binding constraint. In September 2026, the Scottish Parliament voted to pause decisions on hyperscale data centre applications until national guidance is in place[15]. In Austria, around 400 people protested against a planned Google data centre at Kronstorf[16]. In Spain, AWS's €33.7 billion expansion in Aragón faces the country's first data centre lawsuit[17]. STL Partners estimated in 2025 that $41.85 billion of data centre investment in Europe had been affected by community opposition, with leading concerns centring on the loss of rural land, water use and pressure on power grids (see STL Partners' article on public perception of data centres).

Regulation, meanwhile, is moving in both directions. The EU's data centre rating scheme is expected to issue its first sustainability labels in 2027[18]. Germany is easing elements of its Energy Efficiency Act[19]. The UK expects £28.2 billion of investment from its AI Growth Zones[20]. For operators, the result is a fragmented and shifting landscape, in which the requirements for consent differ markedly from one market to the next.

Transparency, not a louder narrative, is seen as the route to trust

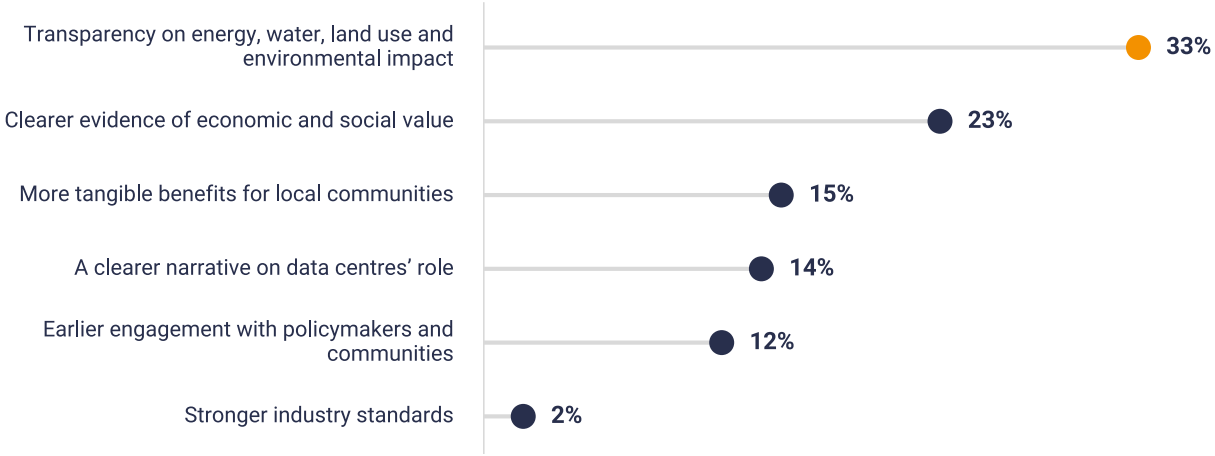
Asked which action would do most to improve public perception of the industry at a time when it is needed most, a third (33%) of respondents point to greater transparency on energy, water, land use and environmental impact (see Figure 10). Clearer evidence of the economic and social value of data centres follows (23%). Only 14% favour a clearer narrative on the role of data centres, and just 2% stronger industry standards.

[15] APRS, September 2026
[16] Euronews, September 2026
[17] Climática, March 2026
[18] European Commission
[19] Clean Energy Wire, June 2026
[20] UK Government

Figure 10: A third of respondents see transparency on environmental impact as the best route to public trust

Which action would do most to improve public perception of the data centre industry and strengthen its licence to grow?

Select one.



Source: Platform Global & STL Partners Market Survey 2026 (n=94)

In their open-text answers, respondents' prescriptions are notably practical. They call on the industry to engage with communities before a site is selected, rather than after plans are submitted. They want energy and water use reported transparently, and grid and renewable partnerships demonstrated before rules are imposed. They also want benefits shared locally, such as heat reuse for public buildings, and the case for data centres made on jobs and local value rather than on technology alone.

> "The industry should proactively engage with regulators and local communities on energy and water usage, transparently reporting consumption and demonstrating grid/renewable partnerships before rules are imposed rather than reacting to them."
>
> ***Investor Germany***

> "Begin talking about the benefits of data centres and stop talking about the power."
>
> ***Advisory and services firm United Kingdom***

The industry is more sceptical of NVIDIA's lead than the capital markets are

The AI hardware roadmap shapes everything from rack density to cooling design. Respondents expect that roadmap to become more diverse, a view that contrasts sharply with the confidence of the capital markets.

Two-thirds expect NVIDIA's dominance to erode within five years

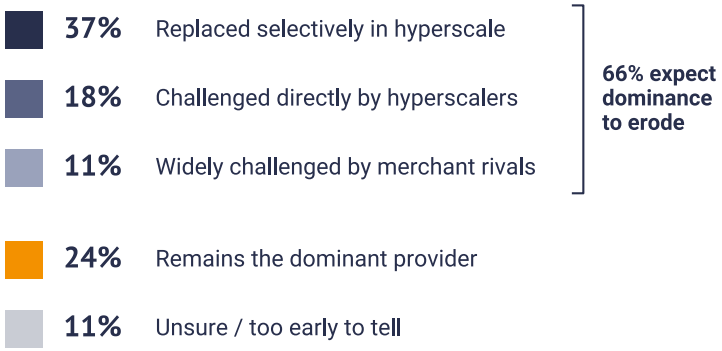
Only 24% of respondents expect NVIDIA to remain the dominant AI chipset provider over the next five years (see Figure 11). The largest group (37%) expects NVIDIA to be replaced selectively in hyperscale environments, as hyperscalers increasingly run their own workloads on their own chips. A further 18% expect hyperscalers to commercialise those chips and challenge NVIDIA directly, and 11% expect merchant challengers such as AMD to gain significant share. Vendors, the respondents closest to the hardware, are the most sceptical: fewer than one in ten expect NVIDIA to stay dominant.

Figure 11: Two-thirds of respondents expect NVIDIA's dominance to erode within five years

Do you expect NVIDIA's dominance in AI accelerator infrastructure to last over the next 5 years?

Select one. Each square is 1% of respondents.

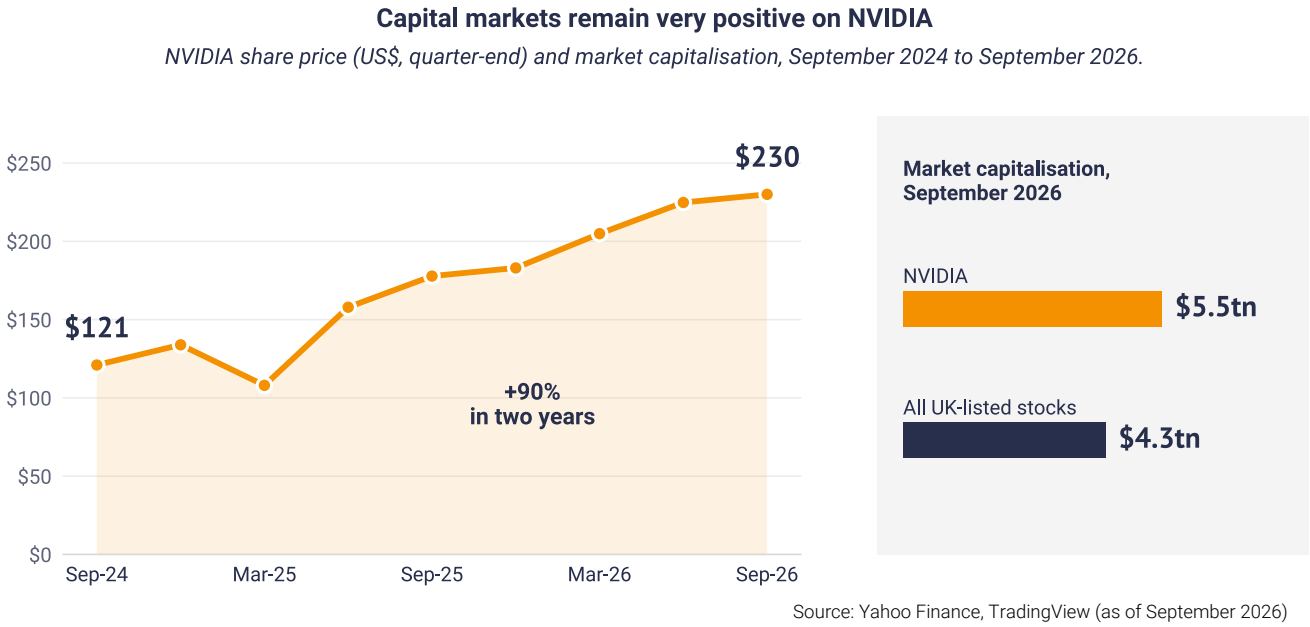




Source: Platform Global & STL Partners Market Survey 2026 (n=94)

This view contrasts sharply with that of the capital markets (see Figure 12). NVIDIA's market capitalisation reached $5.5 trillion at the end of September 2026[21]. Its data centre revenue reached $89.0 billion in the quarter to July 2026, up 117% year on year[22].

Figure 12: Capital markets remain very positive on NVIDIA



Source: Yahoo Finance, TradingView (as of September 2026)

Silicon uncertainty is moving into the building

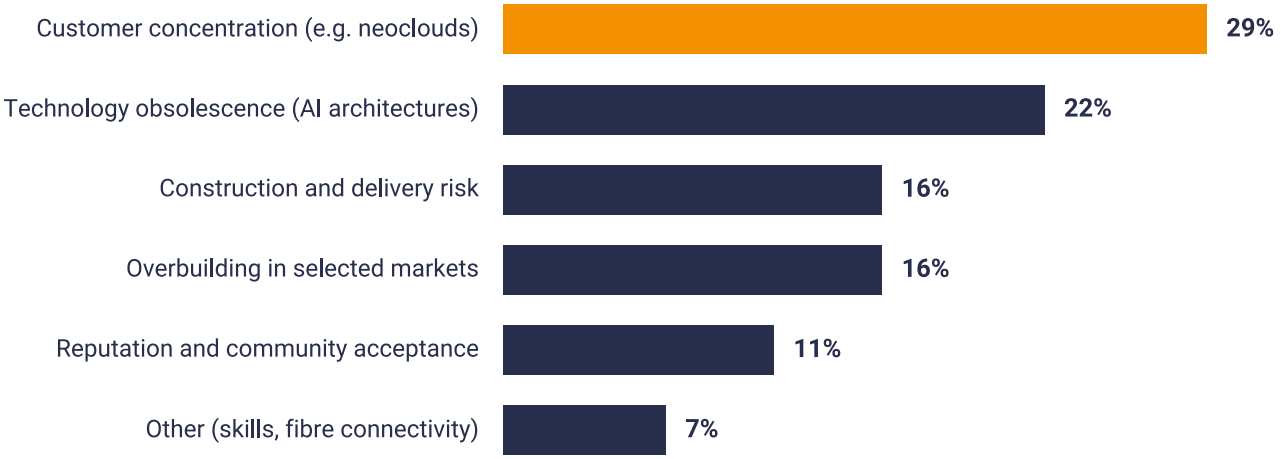
For facility owners, the question is not which chip vendor wins, but how to avoid building for the wrong one. A quarter (25%) of respondents say the industry's single biggest uncertainty is either changing AI architectures and chip requirements, or efficiency gains that reduce the need for capacity. Among vendors, 45% name AI architectures and chip requirements alone. Technology obsolescence is also the second most underappreciated risk for investors and operators (see Figure 13), and 40% of operators say their greatest risk lies in designing to narrow or inflexible product specifications. The implication is that facilities should not be designed around a single vendor's roadmap. Instead, they should accommodate a range of accelerator envelopes, spanning power, cooling and floor-loading requirements.

[21] StockAnalysis
[22] NVIDIA, August 2026

Figure 13: Customer concentration and technology obsolescence are seen as the most underappreciated risks

Which risk is most underappreciated by data centre investors and operators?

Select one. Asked of vendors, advisors, industry bodies and investors.



Source: Platform Global & STL Partners Market Survey 2026 (vendors, advisors, industry bodies and investors)

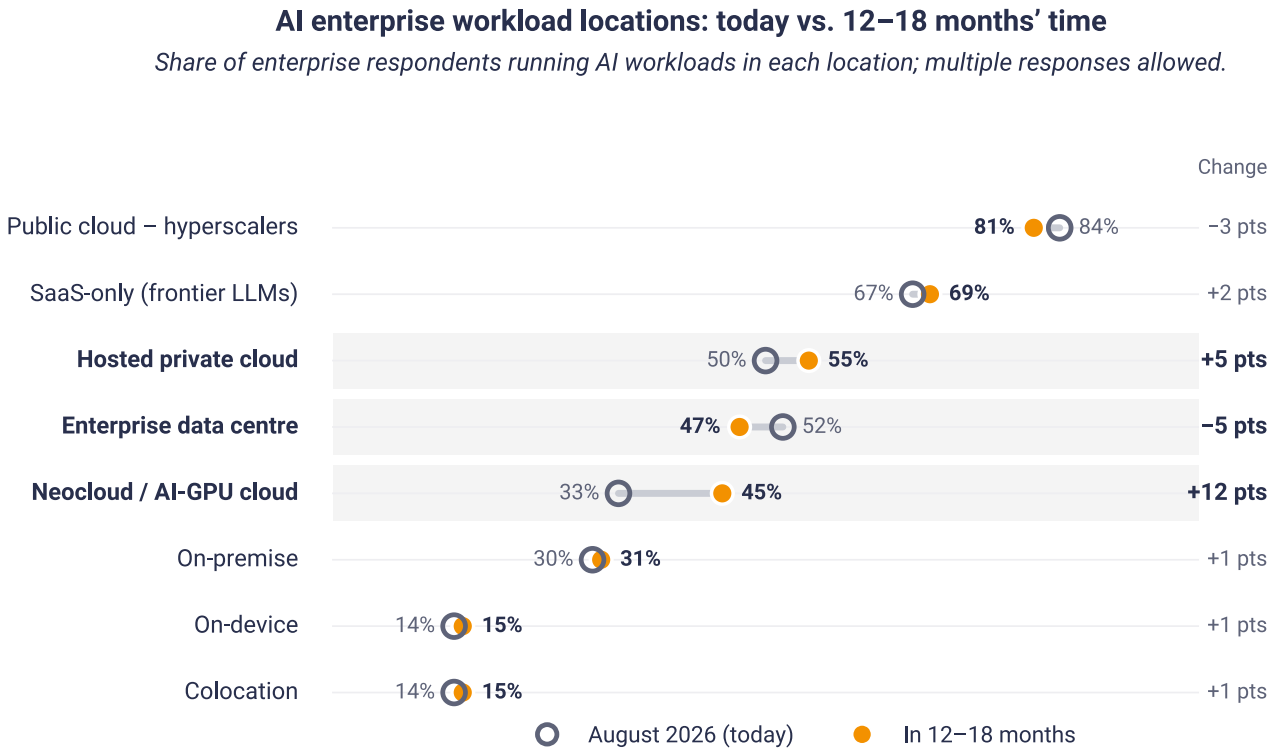
> "The operators most likely to succeed will be those that build flexible, scalable, and liquid-ready infrastructure capable of adapting to rapidly changing AI hardware roadmaps."
>
> ***Data centre developer***
> ***Germany***

Customers want flexibility and speed as much as density

Vendors report that customer requirements are changing fastest in three directions: towards more flexible architectures, greater standardisation and repeatability, and faster deployment timelines. Together, these account for over 80% of vendor responses.

Enterprise demand reinforces the need for flexibility. STL Partners' enterprise research shows AI workloads shifting towards neocloud and AI-GPU cloud providers (up 12 percentage points) and hosted private cloud (up 5 points) over the next 12 to 18 months (see Figure 14). Over the same period, enterprise-owned data centres are expected to lose share (down 5 points).

Figure 14: Enterprise AI workloads are shifting towards neoclouds and hosted private cloud



Source: STL Partners enterprise survey for Cisco Systems on AI adoption, infrastructure, security, sovereignty and partner ecosystem (n=674)

For operators, the winning proposition is therefore likely to combine support for high densities with modular, hybrid designs. These designs can be deployed quickly and adapted as customer needs and chipset designs evolve.

> "Enterprise customers will have edge, on prem and cloud needs — DCs need hybrid solutions not rigid data centers."
>
> *Vendor Europe*

Guidance for investors and operators: turning confidence into durable growth

The survey points to a market with strong fundamentals and abundant capital, but one in which growth is increasingly conditional on power, public consent and proof of demand. Discipline, rather than ambition, is becoming the differentiator. Three priorities stand out for investors and operators.

1. Engage regulators and communities early and with evidence

Public and regulatory attitudes are the industry's biggest uncertainty, and public opposition is a top-three constraint for 44% of respondents. Investors and operators should take a co-ordinated approach to engaging regulators and local communities, beginning before a site is selected rather than after plans are submitted.

That engagement should be grounded in evidence. It should include transparent reporting of energy, water and land use, ahead of requirements such as the EU's data centre rating scheme. It should clearly demonstrate the economic and social benefits each project brings to its local area, from jobs and skills to heat reuse and grid support. Where possible, the industry should also act collectively through industry associations, so that consistent data and messages are presented across markets.

> "Take all stakeholders into account from day one. Even before a plot of land is selected, the neighbours should be part of the conversation."
>
> ***Data centre developer Belgium***

2. Understand the customer before specifying the asset

Developers and operators are far more likely than other respondents to cite securing committed customer demand as a constraint, and many fear designing to narrow or inflexible specifications. Investors and operators should therefore let commercial strategy drive technical strategy, rather than the reverse. That means first understanding the customer segments, use cases and needs a facility will serve. Next comes defining the product and service portfolio. Only then should they specify the infrastructure, from rack densities and cooling to the degree of flexibility built in. Given the uncertainty over AI hardware roadmaps, facilities should be designed to support a range of accelerator envelopes and to adapt as requirements change. Speed of deployment should be treated as a core part of the proposition.

3. Upweight commercial due diligence

> "The industry should adopt a phased approach to capacity expansion and closely monitor developments in AI hardware and software efficiency."
>
> ***Advisory and services firm Italy***

With 74% of respondents expecting deal activity to increase in 2027, there are signs of market froth, with some speculative investors chasing announced megawatts rather than validated demand. Commercial due diligence is therefore becoming more important, not less. Investors should assess anchor-tenant and counterparty risk, particularly where capacity is committed to a small number of high-growth customers. They should take customer references and test contract terms. And they should validate the underlying market demand for each asset, rather than relying on announced capacity. STL Partners' commercial due diligence work, for example on a multi-site acquisition in Western Europe, has shown how customer interviews can surface material churn risk ahead of a transaction (see STL Partners' case study on commercial due diligence for a multi-site acquisition in Western Europe).

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