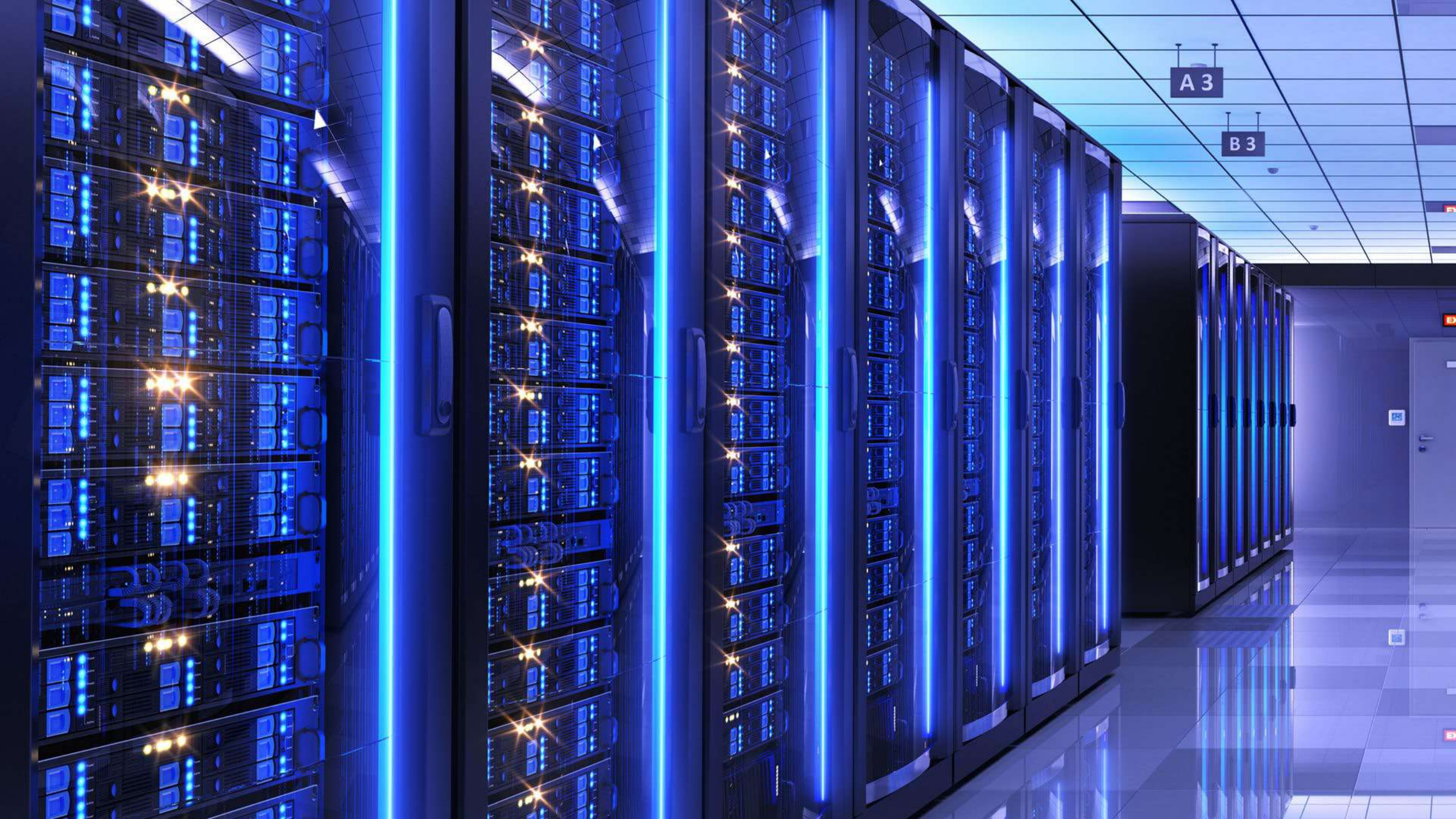
CUSHMAN & WAKEFIELD

INDIA DATA CENTRE
H1 2025 UPDATE

Better never settles


A 3
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~1.3 GW
Operational Supply

~2.9 GW
Upcoming Supply (2030)

17.5%
CAGR

INTRODUCTION

India has been witnessing robust growth in digital adoption through rising internet penetration, mobile handset penetration, OTT subscriptions and social media activity. Consequently, data consumption has seen a massive growth in India over the past few years as average Indian mobile phone user today consumes 27.5 GB of data per month, one of the highest globally.

The explosion of data consumption coupled with rising penetration of new age technologies such as 5G, cloud and AI are fueling rapid growth in the data centre industry. Data centres is critical digital infrastructure that nations now require to build for its data to be stored with utmost safety and efficiency. Globally, data centres have witnessed robust expansion, driven by the digital economy and rise in AI adoption and this trend has gained momentum in India as well. India's installed data centre capacity has more than tripled from 2019 and now stands at ~1.3 GW as of H1 2025. The robust growth has been led by Mumbai, which is a leading data centre hub not just in India but in the APAC region. Chennai, Delhi NCR, Hyderabad are also rapidly emerging as data centre hubs with higher activity being witnessed in Kolkata in eastern India, driven by an upcoming cable landing station.

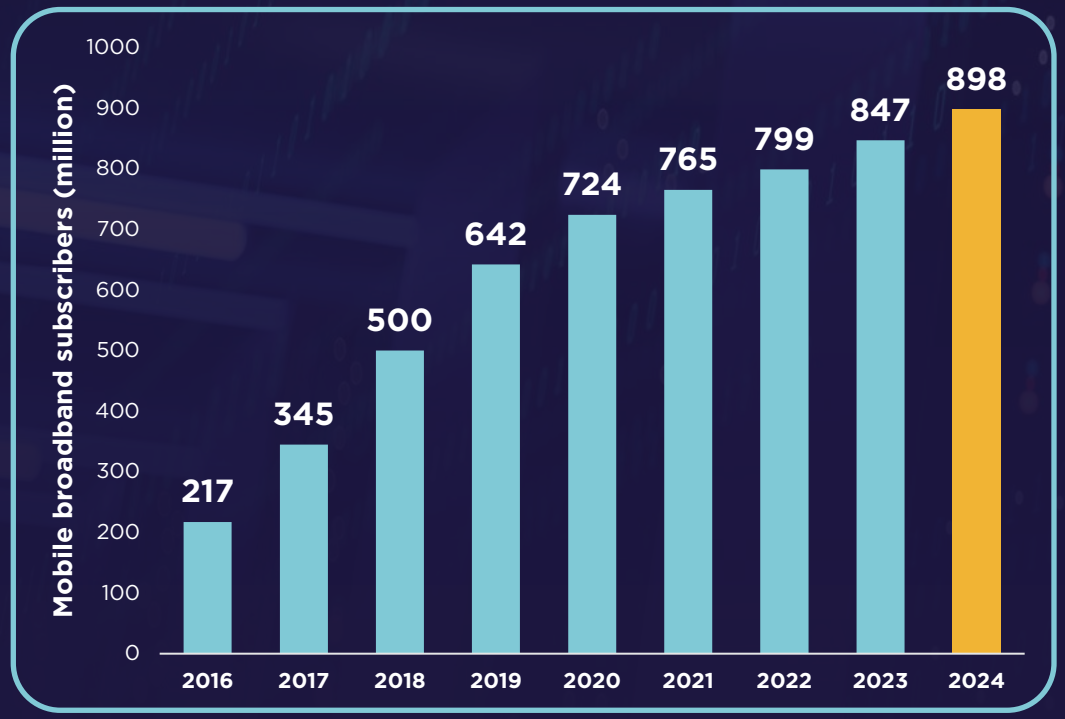
Despite being one of the highest consumers of mobile data globally and rapid growth in data centre supply in recent years, India's data centre penetration is still relatively low as compared to more mature markets. This is likely to get addressed in the next few years as ~2.9 GW of supply is upcoming, which includes under construction and planned projects. The large domestic operators have continued to expand their investments in greenfield facilities, and a number of international operators and investors have also commenced projects, given the attractive medium to long term growth prospects. There is a sense of urgency amongst key data centre operators to capitalise on the opportunity to bridge the existing demand-supply gap.

In this half yearly report, we look at the key demand drivers that are facilitating the growth of data centres and take stock of key pan India figures such as operational stock and upcoming supply, total absorption and vacancy as of H1 2025. We also look activity in the top 7 cities and key micro markets within these cities.

DATA CENTRE DEMAND DRIVERS

Data Consumption

India's mobile broadband usage has grown at an explosive pace over the past few years, to the extent that India is acknowledged as a 'mobile first' nation. Mobile broadband subscribers stood at 898 million at the end of 2024, a 4x since 2016 with sharp fall in data plan prices and availability of competitively priced 4G enabled smartphones. Average data usage stands at 27.5 GB/user/month as of 2024, one of the highest globally, according to Nokia's Mobile Broadband Index 2024, up from just 1.4GW/user/month in 2016 (Nokia Mobile Broadband Index 2016). With the expansion of 5G networks, data consumption is set to rise further, thereby fuelling the need for best-in-class data centres. Currently, average data consumption by 5G users stands at 40GB/user/month.



Policy incentives & Govt. support

A number of states such as Uttar Pradesh, Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, West Bengal have come out with dedicated data centre policies and incentives, thereby providing a regulatory framework and incentives for the growth of the industry. Capex support, single window clearances and stamp duty exemption on land acquisition have been granted by various policies along with electricity duty exemption, alterations in building codes and subsidy on lease rentals for a fixed period. Provisions have been made to incentivize renewable energy usage, including through captive units.

The National Data Centre Policy 2020, which is in the draft stage, provides for the creation of Data Centre Economic Zones (DCEZ) and looks to categorize data centres as essential services. In the Union Budget 2022, data centre sector was granted infrastructure status, which made long-term financing easily available for the sector and enhanced its investment attractiveness.

The Digital Personal Data Protection Act 2023 strengthened data security and privacy norms for Indian citizens and proposed to set up a Data Protection Board of India. The new law regulation also imposed heavy penalties on a data centre firm any breach in data security safeguards. The Union Budget 2023-24 sought to provide an additional impetus to the sector by announcing the creation of Data Embassies for interested nations who are looking for digital continuity solutions.

Expanding 5G and cloud uptake

5G services were launched in India in October 2022 and as of by 2024, total 5G users (mobile + fixed wireless) stood at 280 million, according to the Ericsson Mobility Report. Growth has been strong within a short period and this is expected to continue in the medium term with the country expected to have 980 million 5G subscribers by 2030, according to Ericsson. This is likely to drive a surge in mobile data consumption and need for future-ready data centres.

India has seen massive activity from global hyperscalers with a number of land site acquisitions and announcements of major investments in captive cloud facilities over the next few years. With cloud uptake among businesses still quite low, the growth opportunity remains immense, and this is attracting global players.

AI as a robust growth enabler

The global data centre industry is benefiting from the rapid advancement of graphics processing unit (GPU) technology, which has become essential for AI/ML and other data intensive tasks. Processing speeds are increasingly rapidly with the help of the latest GPU technology innovation. This is helping AI train on larger data sets, thereby improving AI language models manifold and accelerating AI innovation.

This is a trend that is will gain momentum in India in the next few years and data centre operators are focusing on building AI-ready facilities. The government is also supporting the growth of the AI ecosystem through policy initiatives. The government's IndiaAI Mission, which has allocated INR 10,300 crores over five years for AI projects, is a prominent example. The Anusandhan National Research Foundation, set up in 2023, will drive R&D in new technologies, including AI.

Global Operators/Investor Interest

India's data centre sector has attracted a plethora of international operators and investors in recent years. Global giants such as Equinix, the largest data centre operator globally, and Digital Realty have entered India over the last few years. Prominent regional players such as, Capitaland, Princeton Digital and Bridge Data Centres have either unveiled new facilities or are in the process of implementing greenfield projects.

The sector has witnessed creation of data centre platforms with massive planned investments as well as acquisitions by international operators. Prominent platforms include Adaniconnex (Adani + Edgeconnex), Digital Connexion (Digital Realty+Brookfield Asset Management+Reliance) The 100% acquisition of Web Werks by Iron Mountain stands out as a marquee transaction as well. However, Yondr exited the EverYondr platform and sold their stake to Everstone.

Private equity investors have increased their capital deployments in the sector. Kotak Data Centre Fund's INR 600 crore investment in Sify, one of the largest data centre operator, is a prominent example. Sensing the long term opportunity, large Indian real estate players have moved into the sector. The agreement between K. Raheja sponsored Mindspace Business Parks REIT and Princeton Digital and the joint venture (JV) between RMZ and Colt Data Centres are major examples.

Expansion in Tier 2 cities

Prominent domestic data centre operators have increased their investments in tier 2 cities and have either launched greenfield projects in these locations or are planning to do so. Cities such as Bhubaneswar, Guwahati, Lucknow etc., have a massive digital consumer base and operators have been increasingly looking to set up smaller edge data centres closer to this consumer base. Lower latency and better customer experiences have been the major focus of operators and investments in edge facilities will continue to rise in the medium term.

Reliance Group has announced plans to setup 3 GW Data Centre capacity in Jamnagar, Gujarat. This is the biggest capacity announcement in a single campus till date.

Sustainability and Energy Needs

As AI deployments pick up, power consumption by data centres is likely to pick up substantially. This means that that sustainability becomes non-negotiable for operators. Globally, prominent data centre operators are actively pursuing the sustainability agenda for data centres and renewable energy is a key pillar of their strategies. India is one of the leading nations in terms of the installed renewable power capacity and policy initiatives are likely to drive usage of renewable power in data centres.

Solar at the forefront of energy transition in India, including data centres. There are multiple policy initiatives in place including solar parks, rooftop solar installations, tariff policy etc to drive solar power usage. Moreover, data centre policies implemented by various states incentivize renewable power usage in greenfield developments. Tamil Nadu, for instance, has announced incentives to data centres using renewable energy for at least 30% of power requirements.

New age technologies such as liquid cooling is also being increasingly explored by operators to enhance the sustainability quotient in data centres. Liquid cooling, as against air-based cooling, reduces water usage, lowers power consumption and limits carbon footprint.

H1 2025 UPDATE

INDIA OVERVIEW

Operational Capacity
1280 MW

No. of Data Centres
130

No. of Operators
28

Total COLO Absorption
964 MW

Colo vacancy
18.7%

Under Construction Supply
638 MW

Planned supply
2249 MW

Supply added in H1 2025
161 MW

***Note:** Operational capacity and number of data centres include colo and hyperscaler cloud service providers.*

Pan India upcoming supply

2887 MW of upcoming supply is expected by 2030 and this includes both colo supply and greenfield facilities by hyperscale cloud service providers. 2887 MW of upcoming supply comprises 638 MW (under construction) and 2249 MW (planned). Mumbai is expected to account for the majority of upcoming supply in the next 5 years followed by Hyderabad, Chennai and Delhi NCR.

Upcoming Supply

2887 MW

638 MW (UNDER CONSTRUCTION) + 2249 MW (PLANNED)

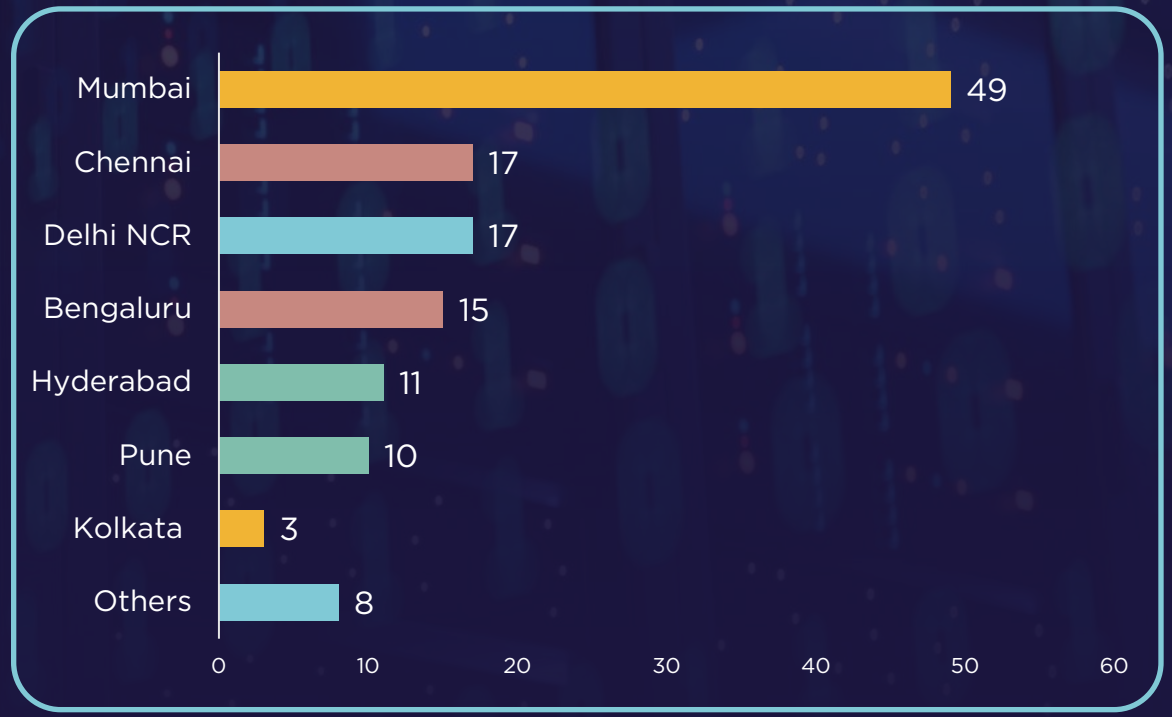
City-wise distribution of upcoming supply

Mumbai	Hyderabad	Chennai	Delhi-NCR	Pune	Kolkata	Bengaluru	Others
41%	19%	13%	8%	7%	4%	4%	4%

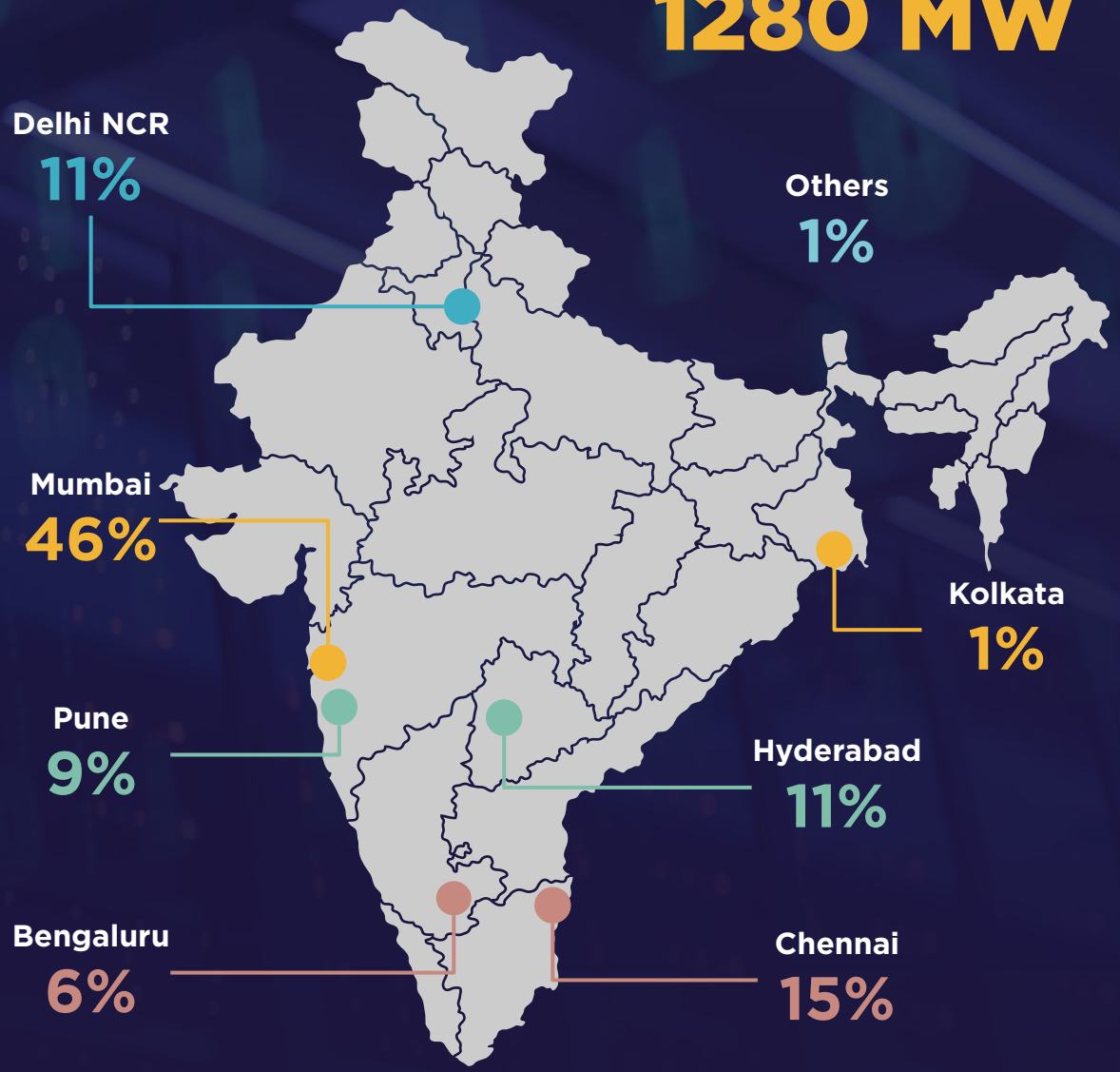
***Source:** C&W Research*
***Note*:** Upcoming supply includes colo and hyperscaler cloud service providers*

City-wise distribution of operational capacity

City-wise distribution of data centres



Operational Capacity
1280 MW



Source: *C&W Research*
Note*: *Operational capacity includes colo and hyperscaler cloud service providers*

H1 2025 UPDATE

INDIA DATA CENTRE CITY OVERVIEWS

MUMBAI

H1 2025 KEY INDICATORS*

Operational Capacity
594MW

# of Data Centres
49

Total COLO Absorption
554 MW

Colo Vacancy
6.6%

Under Construction
337MW

Planned Supply
852MW

Supply added in H1 2025
93MW

MARKET OVERVIEW

Mumbai is a pre-eminent data centre hubs not just in India but in APAC. The city figured in the 1st position in APAC and 6th globally in terms of under construction capacity in Cushman & Wakefield's Global Data Centre Market Comparison 2025, highlighting the city's attractiveness as a data centre hub and continued growth.

Superior digital infrastructure including 13 cable landing stations and good fibre connectivity has attracted large global operators and the city continues to see healthy demand from hyperscaler cloud service providers. The upcoming 3 more cable landing stations will strengthen the city's digital infrastructure further over the next few years and attract data centre investors.

Demand for right type of land at key data centre hubs remains strong though issues such as land titles, power supply etc have cropped up on certain occasions.

MONTHLY RENTALS

Monthly recurring charges (INR/KW/month)	Rental range
Sub 250 kw	8,000-12,000
250 kw – 1 MW	7,000-10,000
1-5 MW	6,500-8,000
5 MW+	6,000-7,500

Thane – Belapur Road

415 MW operational across **31** data centres

5.8% COLO vacancy rate

14 MW under construction / **124** MW planned

Powai

141 MW operational across **12** data centres

5.7% COLO vacancy rate

323 MW under construction / **653 MW** planned

Panvel

23 MW operational across **2** data centres

29.8% COLO vacancy rate

75 MW planned

Source: *C&W Research* ***Note*:** The rental data assumes standard racks of 5 kVA – 7 kVA.*

HYDERABAD

H1 2025 KEY INDICATORS*

Operational Capacity
135MW

# of Data Centres
11

Total COLO Absorption
38 MW

Colo Vacancy
23.4%

Under Construction
94MW

Planned Supply
446MW

MARKET OVERVIEW

Hyderabad is developing into a major destination both for colo and hyperscaler self-build projects. Amazon launched its new cloud region with its captive data centre going live in 2022 and it is expanding with more greenfield captive cloud facilities under construction. Microsoft Azure has also made a long term commitment, acquiring a number of land sites in the city for captive cloud facilities.

Demand from local IT sector has driven Colo investments with operators such as CtrlS, Sify, Capitaland constructing new facilities. Telangana was the first state to implement a dedicated data centre policy in 2016 and an enabling regulatory framework and incentive structure has helped the sector achieve high growth in recent years. Single window approvals, tax incentives, 24x7 power supply are some of the incentives provided by the government and help in enhancing ease of doing business for industry stakeholders.

MONTHLY RENTALS

Monthly recurring charges (INR/KW/month)	Rental range
Sub 250 kw	7,500-9,500
250 kw - 1 MW	7,000-8,500
1-5 MW	6,500-7,500
5 MW+	6,000-7,000

West Hyderabad

53 MW operational across **8** data centres

23% colo vacancy rate

3 MW under construction / **22 MW** planned

South Hyderabad

82 MW operational across 3 data centres

0% colo vacancy rate

91 MW under construction / **424 MW** planned

Source: *C&W Research* ***Note*:** The rental data assumes standard racks of 5 kVA – 7 kVA.*

CHENNAI

H1 2025 KEY INDICATORS*

Operational Capacity
191MW

# of Data Centres
17

Total COLO Absorption
145 MW

Colo Vacancy
24.2%

Under Construction
57MW

Planned Supply
319MW

Supply added in H1 2025
40MW

MARKET OVERVIEW

Chennai has emerged as the second most important data centre market in India and a key secondary market in APAC. Superior digital infrastructure including 7 existing cable landing stations and 2 under construction projects have driven demand from global hyperscaler cloud service providers.

Large international and domestic operators (Digital Connexion, Adaniconnex, STT, NTT, Sify) are investing heavily in campus-type developments, driven by robust demand from IT and cloud firms. Tamil Nadu's data centre policy, which was unveiled in 2021, provides various fiscal and non-fiscal incentives to operators and investors. The policy's focus on renewable energy usage is a major positive for data centres.

MONTHLY RENTALS

Monthly recurring charges (INR/KW/month)	Rental range
Sub 250 kw	8,000-9,000
250 kw – 1 MW	7,500-8,500
1-5 MW	7,000-8,000
5 MW+	6,000-7,000

Ambattur

87 MW operational across **6** data centres

13.9% colo vacancy rate

38 MW underconstruction / **133 MW** planned

Siruseri

92 MW operational across **8** data centres

37% colo vacancy rate

13 MW underconstruction / **168 MW** planned

Source: *C&W Research* ***Note*:** The rental data assumes standard racks of 5 kVA – 7 kVA.*

DELHI NCR

H1 2025 KEY INDICATORS*

Operational Capacity
146MW

# of Data Centres
17

Total COLO Absorption
82 MW

Colo Vacancy
44%

Under Construction
24MW

Planned Supply
209MW

MARKET OVERVIEW

Noida in Delhi NCR is emerging as an important data centre hub catering to entire Northern India. Indian government's digital policies, which incentivize digital adoption among public enterprises and government departments, have facilitated healthy data centre investments in the region.

Growing cloud adoption among private businesses has attracted hyperscaler cloud service providers. A major Hyperscaler has a cloud region in Delhi and has pre-committed an under construction facility. Delhi NCR has attracted major domestic and global co-lo operators including Yotta, Adaniconnex, STT, NTT and Sify.

Uttar Pradesh government's data centre policy has facilitated investments through dedicated fiscal and non-fiscal incentives. Separate building norms for data centres, classifying data centres as essential service and incentivizing renewable energy use, including establishment of solar energy parks, are additional features of the policy. Allocation of land parcels by the state government has also enabled smooth operations of data centre operators.

MONTHLY RENTALS

Monthly recurring charges (INR/KW/month)	Rental range
Sub 250 kw	7,500-9,500
250 kw – 1 MW	7000-8,500
1-5 MW	6,500-7,500
5 MW+	6,000-7,000

Noida

130 MW operational across **12** data centres

49% colo vacancy rate

19 MW underconstruction / **195 MW** planned

Gurugram

8 MW operational across **2** data centres

4% colo vacancy rate

5 MW underconstruction / **14 MW** planned

Source: *C&W Research* ***Note*:** The rental data assumes standard racks of 5 kVA – 7 kVA.*

PUNE

H1 2025 KEY INDICATORS*

Operational Capacity
112 MW

# of Data Centres
10

Total COLO Absorption
90 MW

Colo Vacancy
19.4%

Under Construction
36MW

Planned Supply
154MW

MARKET OVERVIEW

Pune is maturing as a data centre location primarily on the back of greater hyperscaler activity. Strong presence of an Hyperscalers who has a cloud region in Pune, has added availability zones and has also acquired land sites for future cloud developments.

The city's growth as a tech centre is also playing an important role in driving data centre demand from the IT sector, especially for colo data centres. In the medium term, availability of competitively priced land parcels with supporting infrastructure is likely to enable both colo and captive cloud projects..

MONTHLY RENTALS

Monthly recurring charges (INR/KW/month)	Rental range
Sub 250 kw	7,000-8,500
250 kw – 1 MW	6,500-8,000
1-5 MW	6,000-7,000
5 MW+	6,000-6,500

PCMC

70 MW operational across **4** data centres

12% colo vacancy rate

24 MW underconstruction / **96 MW** planned

Hinjewadi

37 MW operational across **5** data centres

32% colo vacancy rate

12 MW underconstruction / **58 MW** planned

Source: *C&W Research* ***Note*:** The rental data assumes standard racks of 5 kVA – 7 kVA.*

BENGALURU

H1 2025 KEY INDICATORS*

Operational Capacity
76MW

# of Data Centres
15

Total COLO Absorption
48 MW

Colo Vacancy
37%

Under Construction
19MW

Planned Supply
87MW

Supply added in H1 2025
22MW

MARKET OVERVIEW

Bengaluru, the tech capital of India, has been looking to attract data centre investments through the dedicated data centre policy implemented in 2022. International operators such as Iron Mountain, NTT and Capitaland have launched greenfield facilities while some other developments are in the land acquisition/planning stage. The city's vibrant tech sector is a key driver of data centre demand. IT and BFSI accounts for a large proportion of colo demand and this trend is likely to continue in the medium term.

The Karnataka government has also been looking to diversify data centre investments into tier 2 cities through the 'Beyond Bengaluru' initiative, which provides incentives for operators investing in secondary cities. For now though, Whitefield (peripheral east) and Electronic City (peripheral south) remain the major locations with large operational and upcoming facilities.

MONTHLY RENTALS

Monthly recurring charges (INR/KW/month)	Rental range
Sub 250 kw	7,500-9,000
250 kw – 1 MW	7,000-8,500
1-5 MW	7,000-8,000
5 MW+	6,500-7,000

Peripheral East

48 MW operational across **8** data centres

37% colo vacancy rate

19 MW underconstruction / **82 MW** planned

Peripheral South

17 MW operational across **4** data centres

29% colo vacancy rate

5 MW planned

Source: *C&W Research* ***Note*:** The rental data assumes standard racks of 5 kVA – 7 kVA.*

KOLKATA

H1 2025 KEY INDICATORS*

Operational Capacity
8MW

# of Data Centres
3

Total COLO Absorption
6.6 MW

Colo Vacancy
17%

Under Construction
25MW

Planned Supply
90MW

Supply added in H1 2025
6MW

MARKET OVERVIEW

Kolkata is emerging as a key data centre hub in eastern India, catering to the entire eastern and north-eastern region. Demand is primarily driven by the government and private small and medium enterprises; increasing cloud adoption is also likely to be a demand driver in the medium term.

An underconstruction cable landing station at Tajpur, which is expected to be completed in the first half of 2026, is attracting large operators. In recent months, STT, NTT and CtrlS have operationalized greenfield data centres in the city and another facility is currently being constructed by Nxtra. Land sites have been also been acquired by other operators for developments in the future.

MONTHLY RENTALS

Monthly recurring charges (INR/KW/month)	Rental range
Sub 250 kw	7,000-8,000
250 kw – 1 MW	6,500-7,500
1-5 MW	6,000-7,000
5 MW+	6,000-6,500

New Town

6 MW operational

0% colo vacancy rate

25 MW underconstruction / **90 MW** planned

Salt Lake

2.3 MW operational across **2** data centres

61% colo vacancy rate

Source: *C&W Research* ***Note*:** The rental data assumes standard racks of 5 kVA – 7 kVA.*

CUSHMAN & WAKEFIELD

CONTACTS

Sareen Penta,
Senior Director & Head - Data Centre Advisory
+91 90999 50020
Sareen.penta@cushwake.com

Sandeep Biswas
Director
Data Centre Advisory
+91 98190 42247
Sandeep.Biswas@ap.cushwake.com

Sujog Dwivedi
Associate Director Data Centre Advisory
+91 99309 61690
Sujog.Dwivedi@cushwake.com

Shivani Jadon
Associate Director Data Centre Advisory
+91 99201 48128
Shivani.Jadon@ap.cushwake.com

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