



INDIA'S DATA CENTRE GROWTH STORY: EXPANSION, INVESTMENT & ECONOMIC OPPORTUNITY

Better never settles

EXECUTIVE SUMMARY

India has an immense opportunity to convert growing cloud and AI demand into investment, infrastructure and wider economic value. Delivery of the identified data centre pipeline would expand operational capacity from approximately 1.8 GW as of first half of 2026 to 5.6 GW by end of 2030. However, in an indicative AI acceleration scenario, characterized by significant growth in AI-driven workloads being hosted within India, capacity could reach approximately 8 GW by end of 2030, supported by additional projects progressing into operations.

Competitive construction economics, expanding renewable energy capacity and policy support strengthen India's investment proposition. India's average construction cost of US\$7.4 million per MW offers strong advantage against several regional markets, while the country's power availability and renewable procurement options support the development of larger campuses. State incentives, approval facilitation and the proposed tax holiday to 2047 for eligible foreign cloud providers add further impetus.

The opportunity extends across construction, equipment, engineering and related services. Realising it will require timely power connections, connectivity, predictable approvals and specialist skills. This paper examines how capacity expansion can translate into sustained investment and deeper domestic participation in the data centre value chain.

FOREWORD

Computing capacity is becoming a piece of economic infrastructure. Cloud adoption, AI workloads and increasingly data-intensive applications are changing what data centres need to deliver: higher rack densities, greater power intensity, low-latency connectivity, advanced cooling and the ability to scale quickly. The competitiveness of a data centre is consequently shaped as much by power, networks, land and engineering capability as by the facility itself.

India is already witnessing this shift, with data centre investment announcements reaching USD 200 billion. Operational capacity stood at approximately 1.8 GW in H1 2026, with a further 3.9 GW under development. As cloud adoption, digital businesses and AI deployment accelerate, India's data centre capacity could reach 8-10 GW by 2030. This represents more than an expansion of server infrastructure; it is the physical foundation required to support an economy increasingly driven by compute.

AI is also changing the technical profile of that infrastructure. Accelerator-heavy workloads require higher power densities and place greater demands on power distribution, backup systems and thermal management. Direct-to-chip and other liquid-cooling systems, high-efficiency power equipment and sophisticated energy management are becoming more relevant. High-bandwidth fibre and subsea connectivity are equally important to move data between compute, users and global networks.

These requirements create a substantial industrial ecosystem around every megawatt of capacity. At approximately US\$7.4 million per MW, India's average construction cost benchmark remains competitive, while delivering the current pipeline represents an estimated US\$32 billion construction requirement.

The scale of construction therefore needs to be matched by the scale of the enabling ecosystem. Land, power, transmission, connectivity, approvals, skills, equipment and capital must move in step. India's ability to align these elements will determine not only how quickly compute capacity comes online, but how much of the associated industrial and technology value is created domestically.

Invest India works at this intersection of infrastructure, industry and investment. Our role is to help global and domestic investors navigate India's investment landscape, connect with relevant central and state government stakeholders, and identify opportunities across the wider data centre ecosystem. As capacity expands, this means looking beyond individual facilities to the networks of suppliers, technology companies, energy providers, infrastructure developers and engineering capabilities that can develop around them.

India has the ingredients to build this ecosystem at scale. Data centre expansion can reinforce capabilities across power systems, electronics, cooling, construction, engineering and digital infrastructure, while drawing investment into the wider supply chain. In doing so, India can build the physical foundations required for AI, cloud and the broader digital economy.



Ms. Nivruti Rai

Managing Director & CEO
Invest India

FOREWORD

India's digital economy is entering a period of accelerated growth, with cloud adoption, artificial intelligence and digital services creating substantial demand for data centre capacity. The scale of the development pipeline of data centres in India is opening a wider opportunity across capital investment, specialist employment and the digital infrastructure supply chain.

India offers a compelling proposition for data center investments underpinned by a large domestic market, a substantial development pipeline and competitive construction economics. Capturing this opportunity depends on translating investor commitments into operating data centre campuses, supported by reliable power, connectivity, skilled teams and effective project execution.

Execution of the scheduled development pipeline until 2030 represents an estimated US\$32.7 billion opportunity in data centre construction. Under the influx of AI adoption, India's operational data centre capacity could reach approximately 8 GW by end of 2030, taking the estimated construction opportunity to US\$56.9 billion. This expansion can create significant opportunities for contractors, equipment suppliers and specialist engineering and service providers. Beyond the direct development of facilities, the expansion of India's data centre sector is expected to unlock a broader technology and infrastructure investment opportunity approaching US\$200 billion.

Against this backdrop, I am pleased to present **India's Data Centre Growth Story: Expansion, Investment & Economic Opportunity**, developed in collaboration with Invest India. The paper builds on our earlier co-authored white paper on power infrastructure for data centres in India and the transition to green energy, extending the discussion to capacity expansion, investment momentum and the economic opportunities created around the sector.

Through our integrated capabilities in Advisory & Transactions, Project Development Services and Managed Services, Cushman & Wakefield supports investors and operators across the data centre development lifecycle, from strategic decision-making to project execution and ongoing operations.

This white paper is intended to support informed decisions and sustained collaboration across government, real estate, power and technology. India's next phase of data centre growth offers an opportunity to combine global investment with stronger domestic capabilities and a broader footprint of digital infrastructure.



Gautam Saraf

Executive Managing Director, Mumbai and New Business
Cushman & Wakefield

GLOSSARY

Abbreviation	Meaning
AI	Artificial Intelligence
APAC	Asia Pacific
CAPEX	Capital Expenditure
DPDP	Digital Personal Data Protection
FDI	Foreign Direct Investment
GB	Gigabyte
GPU	Graphics Processing Unit
GW	Gigawatt; 1 GW = 1,000 MW
H1 / H2	First / Second Half of The Calendar Year
ICT	Information and Communication Technology
kW	Kilowatt
M2M	Mobile-to-Mobile
MeghRaj	Government of India's Cloud Initiative
MeitY	Ministry of Electronics and Information Technology
MW	Megawatt
NSWS	National Single Window System
PIB	Press Information Bureau
TRAI	Telecom Regulatory Authority of India
TWh	Terawatt-Hour
UC	Under-Construction
UPI	Unified Payments Interface
US\$bn / US\$m	US Dollars Billion / Million
YTD / YoY	Year To Date / Year On Year

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01 India's Data Centre Growth

India's data centre market is entering a new phase of expansion, with the scale of its development pipeline signalling substantial scope for investment and long-term growth. As of H1 2026, India has 1,789 MW of operational capacity and 3,860 MW under construction or planned, placing the development pipeline at more than twice the operating base. Full delivery of this pipeline would take capacity to 5,649 MW by end of 2030, approximately 3.2 times its current size. Mumbai, Chennai, Hyderabad, Delhi NCR anchor this growth while Bengaluru, Pune and Kolkata are increasingly strengthening the ecosystem within a progressively broader national footprint.

Power availability and sustainability are also shaping this expansion. India's position as a power-surplus nation, supported by anticipated annual energy surpluses across several states, provides a foundation for growth. Substantial renewable energy portfolios in key states further strengthen the opportunity to align data centre development with operators' decarbonisation commitments. Access to scalable electricity supply and renewable procurement, alongside land availability and connectivity, can strengthen the appeal of emerging locations such as Visakhapatnam, Jamnagar and Dholera among a few others. The Government's push for renewable power adoption through Green Energy Open Access and transmission infrastructure, alongside fiscal incentives and support for digital infrastructure, is further strengthening India's proposition for data centre investment.

Table 1. IT Capacity By Development Stage as of H1 2026

Development stage	IT Capacity (MW)
Operational	1,789
Under construction	509
Planned	3,351
Projected Operational IT Capacity by end of 2030	5,649

Source: Cushman & Wakefield

Note: The baseline assumes that all capacity identified as under construction or planned at H1 2026 becomes ready for service by end-2030, alongside the existing operational base. It is an assumption; actual delivery timeline may vary subject to several parameters.



Digital infrastructure is no longer just the foundation of the digital economy; it is a catalyst for national progress. As AI, cloud, and large-scale digitalization reshape industries, Data Centres are evolving beyond physical assets to become engines of innovation, economic growth, and global competitiveness. The value of what we build will ultimately be defined by what it enables for businesses, communities, and India's future.

Mr. Bimal Khandelwal
CEO, STTGDC India

Figure 1.

India's Data Centres: Key Capacity Footprint

H1 2026 | Capacity in MW



Definition: Key indicators are based on operational Hyperscale Cloud and Colo data centre facilities in the market and excludes Captive & facilities. All values are in IT MW..



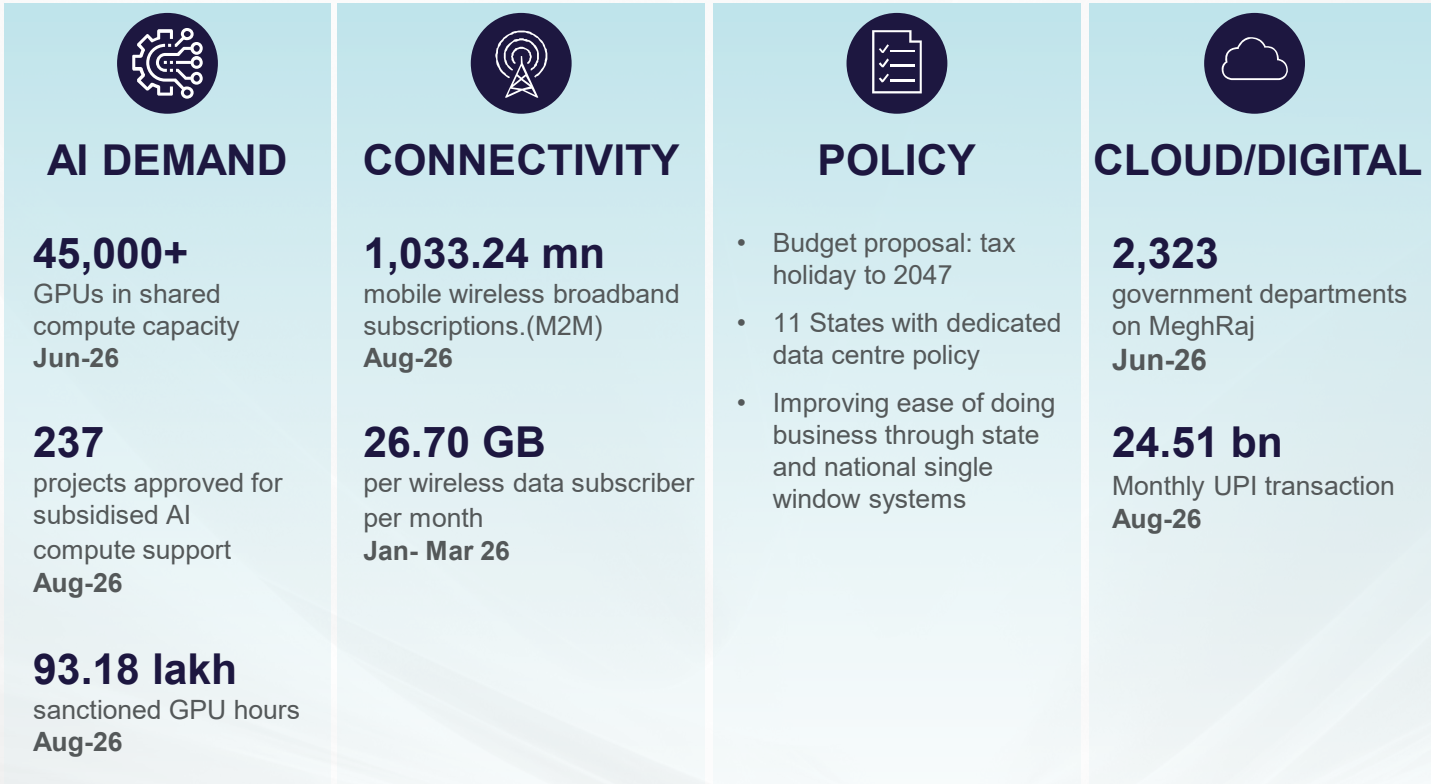
Source: Cushman & Wakefield, Central Electricity Authority

Note: The operational, pipeline and early stage numbers plotted on the map represents only key DC hubs and emerging locations. The key indicators mentioned at the top are of country level, inclusive of other cities and emerging hubs.

Drivers of Data Centre Demand

India’s expanding digital economy is strengthening demand for data centre capacity through rising cloud adoption, data consumption and AI workloads. Building on Digital India’s progress in digital access, financial inclusion and public service delivery, the government’s growing focus on AI, semiconductor manufacturing and infrastructure expansion adds momentum to this growth. The proposed tax holiday framework extending to 2047 for eligible foreign cloud providers strengthens the investment proposition, while the DPDP Act supports data governance and MeitY’s draft Data Centre Policy outlines further support for sector development.^{4,11,13,14}

Figure 2. Drivers of Data Centre Demand



Sources: PIB, Government of India; TRA^{4,7,8,9,10,11,12}

Policy Incentives Strengthen India’s Pull for Investment

India’s expanding digital demand is being reinforced by a policy environment focused on attracting data centre investment. National measures that support global cloud services, state-level incentives and efforts to simplify project approvals strengthen the proposition across both established hubs and emerging locations. Together, these measures can improve project economics, provide greater visibility for long-term capital commitments and help developers progress from investment intent to campus delivery.¹⁵

State-level policy support is also broadening. As of September 2026, eleven states had dedicated data centre policies in force, with two new policies notified during the past year. This expanding policy coverage gives investors a wider choice of locations offering targeted incentives and development facilitation, strengthening India’s ability to attract successive campus investments.

A significant national signal is the tax holiday extending to 2047 proposed in Union Budget 2026–27 for eligible foreign companies providing global cloud services using India-based data centres. Subject to the prescribed conditions, this framework supports India’s position as a base for serving international workloads, creating an additional source of demand for domestic hosting infrastructure. Services to Indian customers must be delivered through an Indian reseller entity. The provision applies to eligible foreign cloud providers; domestic data centre and reseller income remains subject to applicable taxation. A proposed 15% safe harbour margin on cost for related Indian data centre service providers adds a further element of tax predictability.^{4,5}

Table 2. Key Policy Incentives Supporting Investment

Priority Incentives	Contribution to the Investment Proposition
Land subsidies and concessions	Reduced eligible site-acquisition costs and the upfront capital required for campus development, potentially releasing funds for infrastructure and subsequent development phases
Stamp duty exemptions or reimbursements	Lower qualifying land purchase and lease transaction costs, reducing expenditure incurred before construction begins
Electricity duty exemptions	Reduced the duty component of recurring electricity expenditure, supporting operating-cost competitiveness for power-intensive facilities
Single-window facilitation	Coordinate applications and improve visibility over approval requirements and progress. Approval-identification tools, a shared document repository and application tracking reduce repeated submissions and help investors manage development-related administrative requirements

Source: Council on Energy, Environment and Water¹⁵

These incentives are further strengthened by India's continued focus on improving the ease of doing business through several initiatives. The National Single Window System (NSWS) provides a common digital interface to identify relevant approvals, submit applications for participating authorities and track their status. Its shared document repository reduces repeated submissions, helping investors coordinate the administrative work associated with development. Project-specific approvals remain with the relevant authorities.¹⁶

As fiscal support and delivery facilitation develop together, they strengthen India's ability to attract successive campus phases and a broader ecosystem of equipment, engineering and infrastructure investment.



India's data centre opportunity brings together digital demand, infrastructure investment and industrial development. Coordinated facilitation across central and state agencies can help investors navigate land, power and approvals more effectively. The priority is to translate policy intent into an investment environment that supports timely project delivery and sustained participation across the infrastructure ecosystem.

Mr. Vinod Subramanian
SVP, Invest India

02

India's Data Centre Expansion: An Assessment of Potential Pathways to 2030

The convergence of cloud adoption, AI demand and expanding digital workloads supports a sustained expansion of India's data centre market. These drivers are broadening demand across established metropolitan hubs and larger campus locations, while the substantial development pipeline provides a foundation for the next phase of growth.

To assess India's potential data centre expansion through 2030, two scenarios have been considered: a Baseline Scenario, reflecting delivery of the capacity already under construction or planned, and an AI Acceleration Scenario, incorporating additional capacity delivery supported by stronger AI and neo-cloud demand. Both scenarios begin with the same H1 2026 operational capacity and examine how different demand and project-delivery conditions could shape the market by end of 2030.¹

The Baseline Scenario assumes that the under-construction and planned projects become operational within this period. It reflects continued expansion across hyperscale cloud, enterprise computing, storage and digital services, supported by the existing development pipeline. This scenario provides a clear reference point for assessing growth from projects already identified in the market. It assumes timely completion of these developments, while capacity currently classified as early-stage remains outside the baseline.

The AI acceleration scenario considers a stronger expansion cycle in which growing AI and neo-cloud requirements could support additional capacity, alongside the under-construction and planned pipeline. Demand in this case extends across AI model training, inference and enterprise applications, as well as the cloud infrastructure supporting their deployment. Increased use of AI across business functions and digital services could deepen computing requirements, while larger cloud and AI infrastructure programmes could strengthen India's role in serving domestic and international workloads.¹⁷

AI can influence this expansion through both the scale of capacity required and the specifications of new facilities. Training workloads can support demand for large computing clusters, while inference, the use of trained models to generate outputs, can amplify demand as applications reach more users and become embedded in enterprise operations. Higher-density deployments also create opportunities for advanced power distribution, cooling and systems integration. The accelerated scenario therefore considers a market with greater capacity and a wider requirement for specialist infrastructure and engineering capabilities.¹⁷

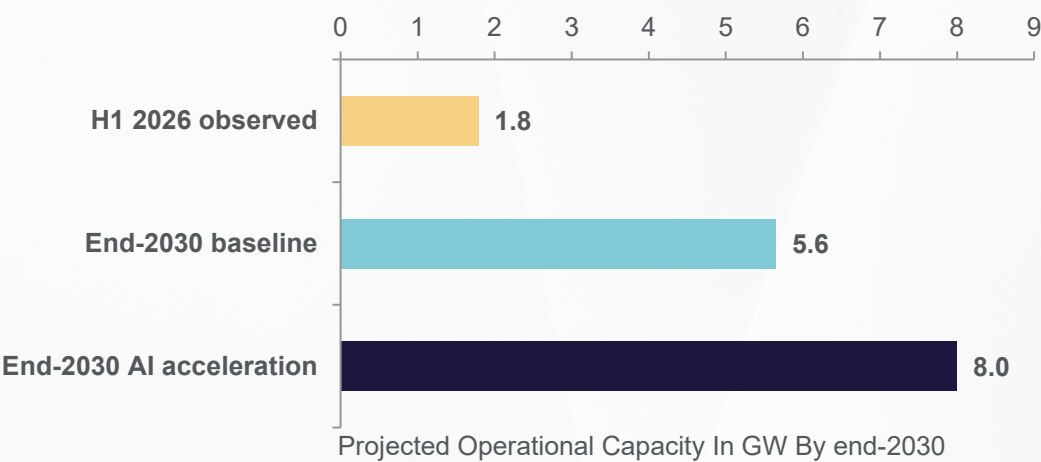


Delivering India's next phase of data centre capacity requires coordinated execution across sites, power, connectivity and customer requirements. As cloud and AI workloads evolve, campuses must accommodate higher densities while retaining flexibility for different deployment profiles. Phased expansion, aligned with demand and infrastructure readiness, can support reliable delivery and long-term scalability.

Mr. Deepesh Nanda
MD & CEO, HyperVault AI Data Center

The scenarios illustrate the scale of potential expansion under different delivery conditions. The investment programmes supporting this growth, and their progression towards operating capacity, are examined in the following section.

Figure 3. Capacity Expansion: Baseline and AI Acceleration Scenarios



	Baseline	AI acceleration
Added capacity (GW)	3.9	6.2
Annual average (GW)	0.9	1.4
Current-operational capacity multiple	3.2x	4.5x

Source: Cushman & Wakefield

Note: An accelerated scenario places India's operational data centre capacity at approximately 8 GW by end-2030. Starting from 1.789 GW of operational capacity, this case assumes commissioning of the 0.509 GW under construction and 3.351 GW planned pipeline, alongside 15% of the 15 GW early-stage pipeline. Together, these components yield approximately 7.9 GW, rounded to 8 GW. The early-stage assumption represents capacity delivered through initial campus phases within the period, rather than completion of entire announced campuses. Stronger AI and cloud demand, accompanied by timely power access, funding and project execution, is assumed to support this accelerated delivery. The 15% conversion rate is an explicit analytical assumption; the scenario illustrates a potential expansion outcome and does not constitute a quantified AI-demand forecast.

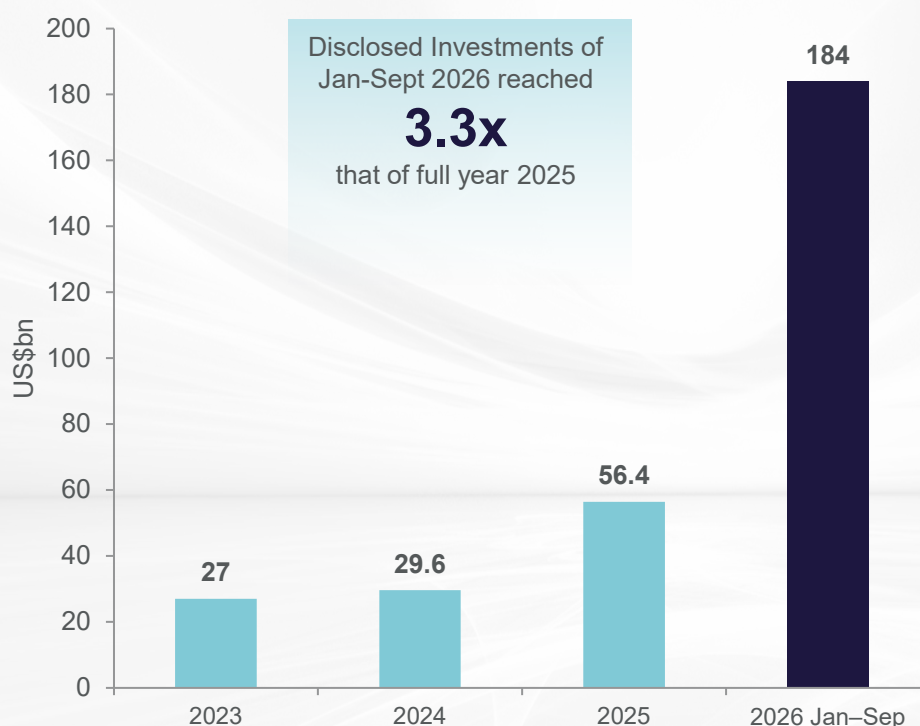


03 Rising Capital Commitments Strengthen India's Position as a Global Data Centre Hub

Investment commitments positioning India for its next phase of expansion

India's data centre investment cycle is gaining scale, supported by expanding cloud and AI demand and participation from international capital. As of September 2026, total announced data centre investments in India have exceeded US\$180 billion and are on track to reach US\$200 billion. Annual disclosed investment commitments reached US\$56.4 billion in 2025, taking the combined commitments recorded during 2023–2025 to US\$113 billion. This represents an increase of over 90% in 2025 compared with 2024. Momentum accelerated further during January–September 2026, when announcements reached 3.3 times the full-year 2025 level. This nine-month period alone contributed approximately 62% of all disclosed commitments recorded between 2023 and September 2026, demonstrating a sharp acceleration in investment intent across the sector.

Figure 4. Disclosed Data Centre Investment Commitments



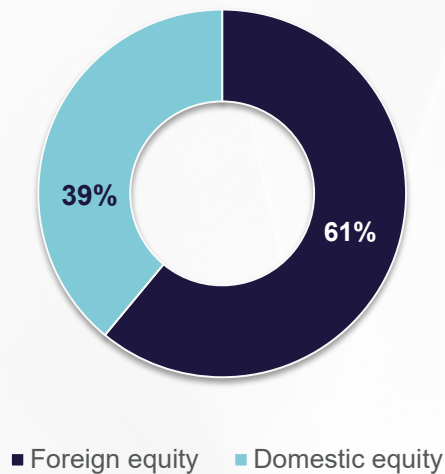
Note: Indicative of current operational data centre investment.

Source: Invest India, Cushman & Wakefield^{2,18}

International capital is also a significant contributor to the sector’s funding landscape. Current investments comprise of approximately 61% of foreign equity and 39% of domestic equity. This composition highlights the importance of international investor participation in supporting India’s data centre expansion.

The future pipeline highlights the opportunity to sustain this momentum across successive development phases. Projects under development, comprising under-construction and planned capacity, represent approximately 24% of indicative future commitments, while early-stage and land-banked projects account for 76%. This substantial announced component provides scope for further expansion as projects progress through financing, approvals and construction.¹⁸

Figure 5. Current Equity Origin



Source: Invest India, Cushman & Wakefield

Customer commitments provide further evidence of the demand supporting this investment momentum. Cushman & Wakefield’s Asia Pacific Data Centre Investment Landscape 2026 reported a 115% increase in regional pre-leasing volumes between H1 2025 and H1 2026, with India among the markets recording the largest volumes of pre-leasing capacity. India’s pre-leased data centre capacity approximately doubled to 1.15 GW in H1 2026, indicating stronger advance customer commitments for future capacity. In India, hyperscalers accounted for more than 80% of data centre absorption in H1 2026. These advance customer commitments improve demand visibility for developers and lenders, supporting phased campus expansion and investment in associated infrastructure.^{1,19}

The future investment pipeline provides an opportunity to support this expansion through new campuses, higher-density facilities and specialist power and cooling infrastructure. Customer commitments could help bring forward initial development phases, while access to funding, power and connectivity will influence the pace of delivery. The scenario therefore illustrates how investment intent could translate into faster capacity expansion and broader opportunities across the infrastructure value chain.

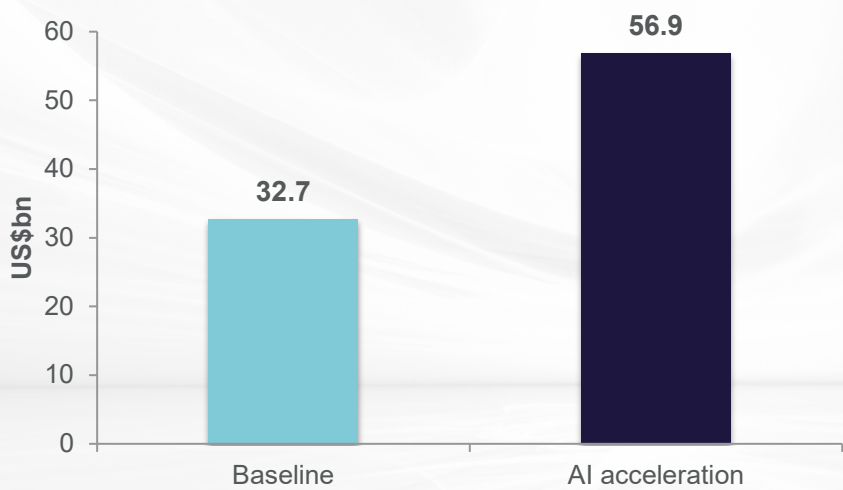
Union Minister of Commerce and Industry, Shri Piyush Goyal, highlighted the sector’s investment potential at the September 2026 CEO roundtable, noting that around US\$200 billion could enter India’s data centre industry. This includes investment across the entire data centre value chain covering land, construction cost, IT equipment costs, network expansion cost, power related investment, and more. Converting this opportunity into operational capacity would strengthen India’s digital infrastructure and sustain demand across the wider value chain.¹⁹

Competitive construction economics strengthen India's investment proposition

India's competitive construction costs strengthen its ability to attract investment in cloud and AI infrastructure. Cushman & Wakefield's 2026 Construction Cost Guide places India's data centre construction benchmark at US\$7.4 million per MW, approximately 23% and 26% lower than Malaysia and Australia respectively, for a comparable data centre specification. While construction costs are not the sole determinant of market selection, they are one of the most important primary criteria. India's cost-competitive development environment provides a meaningful advantage for data centre operators seeking to optimize capital deployment and support large-scale expansion. Realising this advantage depends on reliable power access, timely equipment supply and effective project delivery. ³

India's 3.9 GW of under-construction and planned capacity represents an estimated US\$32.7 billion construction opportunity, allowing for rising costs over the development period. The AI acceleration scenario requires a further 2.4 GW beyond the baseline scenario, representing approximately US\$24.2 billion of additional construction cost and taking the estimated total to US\$56.9 billion. The AI acceleration scenario involves approximately 61% more capacity additions and 74% more data centre construction cost than the baseline development pipeline. AI-ready data centres must support the power, cooling and connectivity needs of graphics processing unit (GPU) clusters used to train and run AI models. Higher rack densities can require stronger electrical distribution, liquid cooling, greater structural provision and closer integration of building controls and equipment. Provision for high-speed connectivity is also important to support communication between GPU systems and storage. These requirements change how facilities are designed and commissioned, increasing the opportunity for specialised infrastructure and engineering services. ^{3,17}

Figure 6. Estimated Data Centre Construction Cost for the Two Scenarios



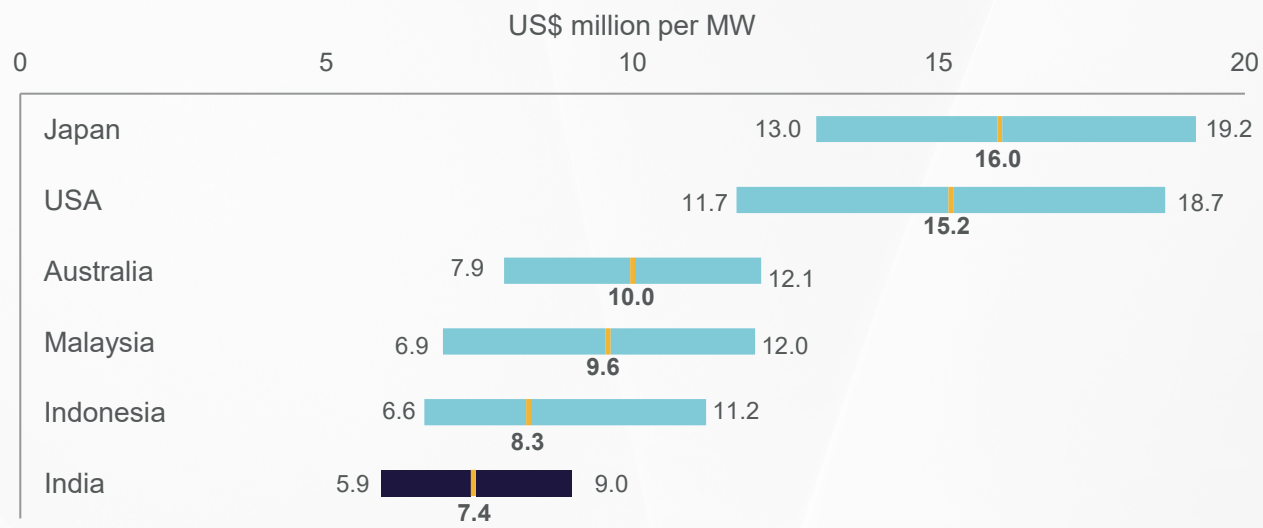
2.4 GW	US\$ 24.2 bn	61%	74%
Incremental AI capacity	Incremental cost	More capacity addition	Higher construction value

Source: Cushman & Wakefield

Note: The estimated data centre construction cost does not include the cost accounted for IT servers, GPUs, storage infrastructure and network equipment.

India's competitive construction costs provide a strong starting point for this expansion, while creating opportunities for domestic suppliers and engineering firms to develop more specialised capabilities. Designs aligned with customer workloads, scalable power access and effective commissioning will be important to turning this opportunity into operating capacity.

Figure 7. India’s Construction Cost Position in Key Global Markets



Source: APAC Construction Cost Guide 2026 and US Data Center Development Cost Guide 2026 ^{3,20}

Note: APAC figures use the C&W mid-specification construction basis. The US row shows the range of average mid-range values across 34 listed US markets.

Against these benchmarks, a 100 MW build in India can potentially be lower by US\$220 million versus Malaysia and US\$260 million versus Australia. This lower upfront construction cost reduces the capital required to deliver comparable capacity.



India’s competitive construction economics provide a strong foundation for data centre investment but cost alone does not determine project viability. The real advantage comes from combining disciplined site selection with power availability and scalability, speed to market, fit-for-purpose design, and strategic procurement. When these factors are aligned, India’s development cost advantage can translate into stronger project economics and a more compelling investment proposition for operators and investors.

Mr. Pritesh Swamy
Head of Research & Consulting, Data Centre Group, APAC, Cushman & Wakefield

04 The Wider Economic Opportunity

India's data centre expansion supports economic activity beyond construction and operations. Access to scalable computing enables cloud adoption, enterprise digitisation and start-up growth, allowing businesses to expand digital services without building their own infrastructure. It also supports compute-intensive activities across GCCs, healthcare R&D, aerospace and other innovation-led sectors. Data centre development can attract foreign capital, while reliable digital infrastructure strengthens India's proposition for international businesses and supports productivity-led economic growth.

Employment and skills development

India's construction sector is a major engine of employment, currently supporting a workforce of approximately 71 million people, with employment projected to surpass 100 million by 2030. Against this backdrop, the rapid expansion of India's data centre industry is expected to create an additional wave of construction-led employment. With approximately 46 million sq. ft. of data centre space currently under construction or in the planned pipeline, this development activity will drive employment demand across a broad range of trades, including civil and structural works, electrical and mechanical systems, MEP installation, commissioning and specialised technical services.²¹

Workforce requirements vary significantly across the data centre lifecycle. Demand rises as projects move from land acquisition, approvals and design into construction. Construction draws on many specialised disciplines, including civil and structural works and the installation of power, cooling, network and security systems. Demand then falls through testing and handover.

Once facilities become operational, demand shifts from a large construction workforce towards smaller, ongoing teams supporting continuous operations. Electrical engineering, cooling, controls and preventive maintenance underpin technical employment, alongside security, administration and facilities services. These activities connect the initial capital investment with sustained spending across the asset's operating life.

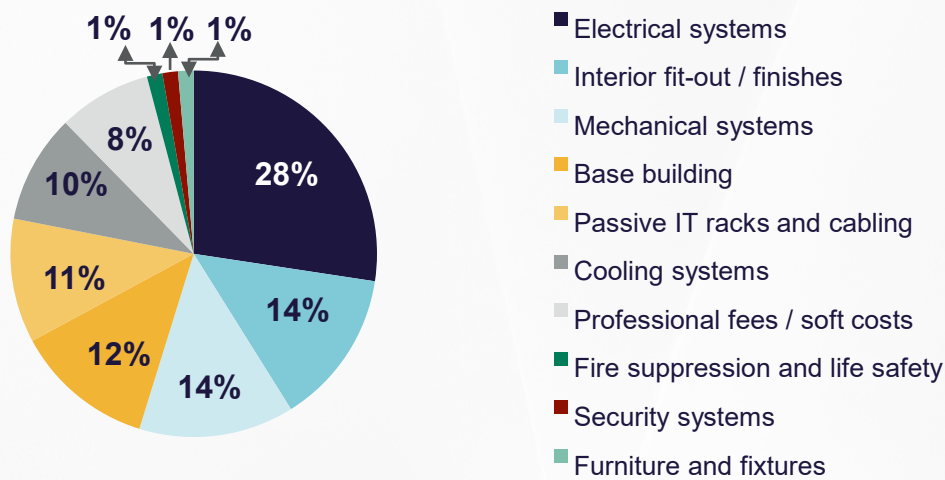
The wider economic opportunity lies in strengthening India's participation in this value chain. Domestic firms can secure construction and equipment contracts, develop commissioning expertise and build long-term maintenance relationships. Aligning project delivery with apprenticeships, specialist training and local supplier development can help translate capacity expansion into employment, stronger technical capabilities and greater domestic value capture. The pace of these benefits will depend on how quickly planned investments progress into construction and operation.

Strengthening the domestic value chain

India's data centre expansion creates an estimated US\$32.7 billion data centre construction opportunity under the baseline, rising to US\$56.9 billion under AI acceleration, until 2030. This demand spans building works, electrical systems, mechanical infrastructure, cooling, passive IT equipment and specialist services, creating opportunities for domestic manufacturers, contractors and engineering firms.

The chart illustrates the distribution of this opportunity across individual construction components. The allocation uses the India cost breakdown in Cushman & Wakefield’s Data Centre Construction Cost Guide 2026. These revised shares are then applied to each scenario’s construction value.

Figure 8. Break-up of Data Centre Construction Cost



Note: C&W APAC Construction Cost Guide 2026. This break-up is excluding land.
Source: Cushman & Wakefield

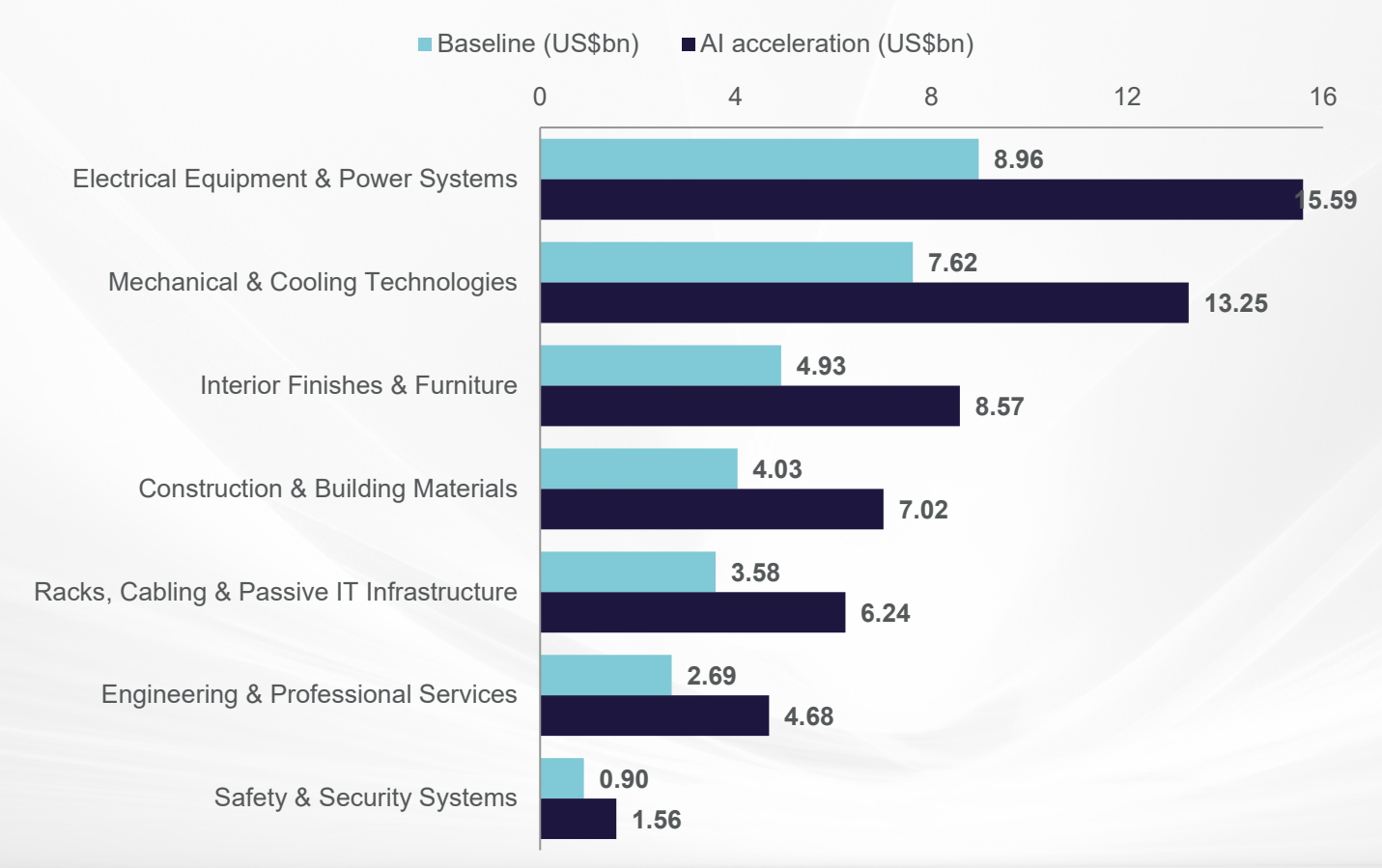


Data centre growth in India necessitates a strong locally manufactured ecosystem of hyperscale grade to cater gigawatt range of infrastructure. It includes high end servers with power, racks, thermal management systems, optical components, networking gears and specialised services. This brings opportunity to serve local demands and also be trusted supplier to global growth. Capturing this opportunity requires supplier qualification & bringing global suppliers to India, consistent quality at scale and investment in technical skills and world class manufacturing setups. This needs favourable policies from the government, closer collaboration between operators, electronics manufacturers and training institutions can strengthen domestic capabilities and create pathways into manufacturing, testing, commissioning and operations roles.

Mr. B N Shukla
Managing Director – India, JABIL

Extrapolating the baseline and AI acceleration scenarios to the construction cost break-up, until 2030, electrical equipment and power systems represent the largest industry sector opportunity from data centre construction, at an indicative US\$9.0 billion under the baseline and US\$15.6 billion under AI acceleration. Mechanical and cooling technologies together account for US\$7.6 billion and US\$13.3 billion, respectively, while interior finishes and furniture represent US\$4.9 billion and US\$8.6 billion. Demand also extends to construction and building materials, racks and passive IT infrastructure, engineering and professional services, and safety and security systems. Greater domestic participation in manufacturing, procurement, installation and commissioning would help retain more of this expenditure within India and deepen specialist supplier capabilities.

Figure 9. Data Centre Construction Opportunity by Industry Sector and Scenario



Source: Cushman & Wakefield

Beyond the quantified construction opportunity, data canter expansion supports demand across electricity supply, renewable procurement, grid infrastructure, fibre connectivity and the wider technology ecosystem throughout campus development and operations. The scale and technical complexity of these developments create scope for allied sectors to build specialist capabilities, strengthening the links between India’s digital infrastructure and its wider industrial economy. The opportunities outlined in the following table illustrate this potential for infrastructure providers, suppliers and skilled services.

Table 3. Opportunities across Allied Sectors and Supply Chains

Allied sector	Opportunity
Energy and grid infrastructure	- Data centres' share of India's electricity demand is projected to rise from 0.8% in FY2025 to 2.6% by FY2030. Implication: - Rising, long-duration electricity demand creates opportunities across generation, renewable procurement, substations, transmission connections, storage and backup infrastructure. Phased campus development can provide anchor demand for long-term power contracts, supporting investment in generation and firming capacity
Real estate and connectivity	- Applying an assumed facility floor area of 10,500 sq. ft per MW under the baseline and 7,500 sq. ft per MW under AI acceleration, capacity additions imply approximately 40.5 million sq. ft and 46.6 million sq. ft of data centre facility area, respectively, until 2030. This represents approximately 15% greater floor area demand under the accelerated case, expanding opportunities for campus development, building works and supporting infrastructure. - This represents approximately 15% greater floor area demand under the accelerated case, expanding opportunities for campus development, building works and supporting infrastructure. Implication: - The opportunity spans campus development, building works, site engineering, fibre connectivity and interconnection. Higher-density AI facilities also increase the importance of power-ready sites and specialised facility design, broadening the opportunity beyond floor-space delivery.
Semiconductors	- The Government reported approximately US\$ 10.35 bn in investment commitments under the Semicon 2.0 ecosystem, expected to materialise over two to three years. The programme also targets 200 semiconductor design start-ups and training one lakh technicians over five years.²² Implication: - These initiatives provide a complementary platform for domestic capabilities in chip and systems design, advanced packaging, equipment, materials and specialist skills. Expanding data centre and AI infrastructure can strengthen opportunities for collaboration across this ecosystem; the semiconductor commitments represent wider sector investment and are assessed separately from the data centre construction opportunity.

Source: Cushman & Wakefield & PIB²²

05 The Way Forward

India's data centre market is poised for a sustained expansion cycle, supported by growing cloud and AI demand, substantial capital commitments and a widening development footprint. The investment momentum reflects increasing confidence in India's ability to host digital infrastructure at scale and serve both domestic and international workloads. If this momentum is sustained and early-stage programmes progress more rapidly into funded, commissioned campus phases, operational capacity may extend beyond the 8 GW potential in the next 5 years.

India's power and renewable energy position provides an important foundation for this opportunity. Its national power-surplus position, expanding renewable generation portfolio and continued investment in transmission infrastructure strengthen the potential to accommodate larger data centre campuses. Access to renewable procurement, supported by hybrid generation and storage, can help operators align capacity expansion with their sustainability commitments. Combined with competitive construction economics, these advantages strengthen India's proposition as a home for substantial cloud and AI infrastructure across established hubs and emerging locations.

The next phase will depend on bringing these strengths together through coordinated delivery. Early alignment of land, grid connections, fibre connectivity and approvals can help investment commitments progress into operating capacity. The Government's focus on renewable power adoption, targeted incentives and investment facilitation reinforces this proposition, while predictable implementation can encourage successive campus phases and long-term capital deployment. Developing specialist skills and domestic supply chains alongside this expansion will deepen India's participation in equipment manufacturing, engineering, construction and ongoing services.

Translating this outlook depends as much on institutional facilitation and specialist advisory support as on market fundamentals. Invest India, the Government of India's National Investment Promotion and Facilitation Agency, is a strategic advisor and investment catalyst for global and domestic investors, offering end-to-end facilitation across the investment lifecycle in high-impact sectors including renewable energy and digital infrastructure. Cushman & Wakefield Data Centre Group helps clients navigate their data centre strategies across the entire real estate cycle, offering both the practical services capabilities to provide optimal, end-to-end commercial real estate solutions and deep technical expertise across its three pillars of Advisory & Transactions, Project Development Services and Managed Services.

India has the demand, investment interest and expanding energy foundations to become an increasingly significant centre for global digital infrastructure. Translating these strengths into timely, sustainable capacity delivery can create lasting value across the economy and establish a stronger platform for the country's next phase of digital growth.

METHODOLOGY

- **Baseline capacity:** Adds under construction and planned capacity to the H1 2026 operational capacity, assuming full delivery by end 2030 and no retirements.
- **AI acceleration:** Assumes realisation of 15% of the identified 15 GW early-stage capacity to become ready for services, with the resulting endpoint rounded to 8 GW for calculations. This is an illustrative scenario.
- **Investment comparisons:** Growth rates, period shares and stage ratios are arithmetic comparisons. January to September 2026 is compared with full year 2025.
- **Floor area:** Indicative estimates apply assumed requirements of 1,000 sq m/MW to baseline additions and 700 sq m/MW to AI acceleration additions.
- **Construction costing:** Uses starting C&W assumptions of US\$7.4 million/MW for baseline additions and US\$9.0 million/MW for incremental AI capacity, with 5% annual escalation over an assumed equivalent duration of 2.75 years. This is indicative costing, rather than a validated delivery or expenditure schedule.
- **Construction value estimates:** Capacity additions exclude the existing 1,789 MW operating base. The approximately 61% capacity increase compares 6,211 MW with 3,860 MW; the approximately 74% construction value increase compares US\$56.9 billion with US\$32.7 billion.
- **Construction scope:** Estimates exclude land, active customer IT equipment, financing and separately developed power or connectivity infrastructure. They indicate potential construction value, rather than expenditure incurred or remaining funding requirements.

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About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of US\$10.3 billion across its core service lines of Services, Leasing, Capital Markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture.

For additional information, visit www.cushmanwakefield.com.

About Invest India

Invest India is the National Investment Promotion and Facilitation Agency of India, established as a nonprofit venture under the aegis of the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India. It facilitates and supports investors under the Make in India initiative in establishing, operating and expanding their businesses in India. Envisaged as a one stop shop for attracting and retaining high quality investments, it provides sector and state specific guidance and supports investors from pre-investment and decision-making to establishment and aftercare.

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