

Data Centre Market Watch



INDIA DATA CENTRE HIGHLIGHTS

- In H1 2024, around 71 MW IT capacity was added across India's eight major cities
- The market witnessed transactions of around 200 MW IT capacity across major cities, primarily driven by hyperscalers
- The total operational capacity reached around 942 MW IT capacity as of H1 2024
- Growth in demand for Edge Data Centres
- Growing DC footprint in Tier-II and III Cities

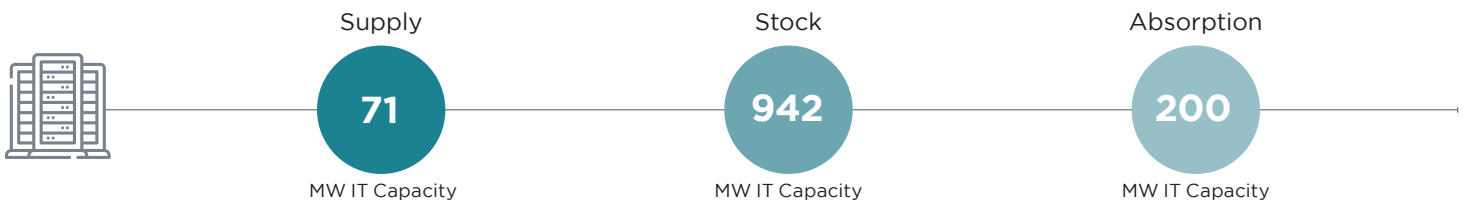
ECONOMY ROUND-UP

India's real GDP grew by 8.2% in FY24, surpassing the 7.0% growth in FY23. Domestic inflation dropped to a 12-month low of 4.75% in May 2024. The RBI has projected India's headline inflation rate at 4.5% for FY25,

comfortably within the target range of 2-6%. The policy repo rate remained unchanged at 6.5%. GST collections for the Centre reached INR 20.18 lakh crore in FY24, marking an 11.6% YOY increase. Collections hit a record high

of INR 2.10 lakh crore in April 2024, reflecting a strong start to the current fiscal year. These macroeconomic indicators point to resilient domestic activity in FY25, with real GDP growth projected at 7.2% for the full year.

KEY STATS: H1 2024



Source: Savills India Research

GROWTH ENABLERS

Government Interventions

- Data protection & localisation bill
- Digital India initiative
- Proactive government policies
- Infrastructure status
- National e-commerce policy
- Growing public cloud market



Sectoral Factors

- Growing internet and mobile broadband penetration
- Growing IT and ITeS sector
- Increased adoption of cloud services
- Internet of Things (IOT) & Artificial Intelligence (AI)
- Growing Tier-II and III cities



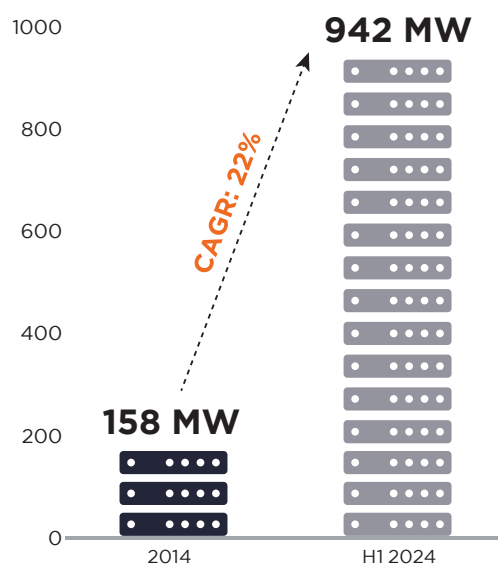
DATA CENTRE SUPPLY AND DEMAND DYNAMICS

In H1 2024, around 71 MW IT capacity was added across the key data centre markets in India. The total stock grew at 21% YOY from 778 MW IT capacity in H1 2023 to 942 MW IT capacity in

H1 2024. On the demand side, the market witnessed transactions of around 200 MW IT capacity, contributed by hyperscalers, BFSI, IT & ITeS and services sectors.

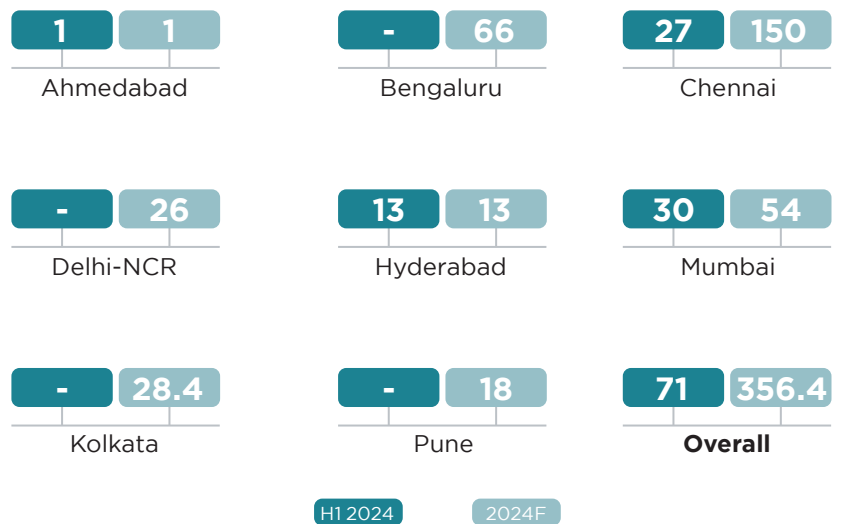
DATA CENTRE STOCK AND CAPACITY ADDITIONS

Stock as on H1 2024



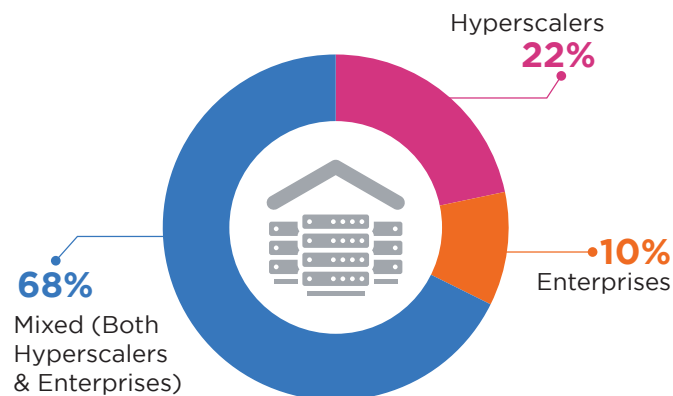
Source: Savills India Research

Capacity Additions in MW IT Capacity



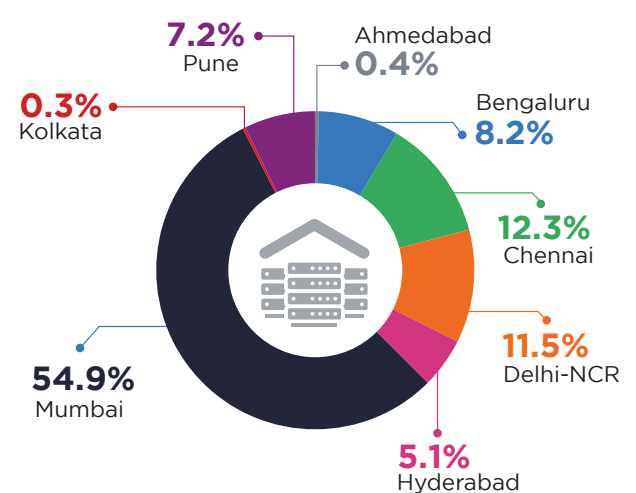
DATA CENTRE STOCK DISTRIBUTION BY CATEGORY AND CITY AS OF H1 2024

Data Centre Stock by Category



Source: Savills India Research

Data Centre Stock by City

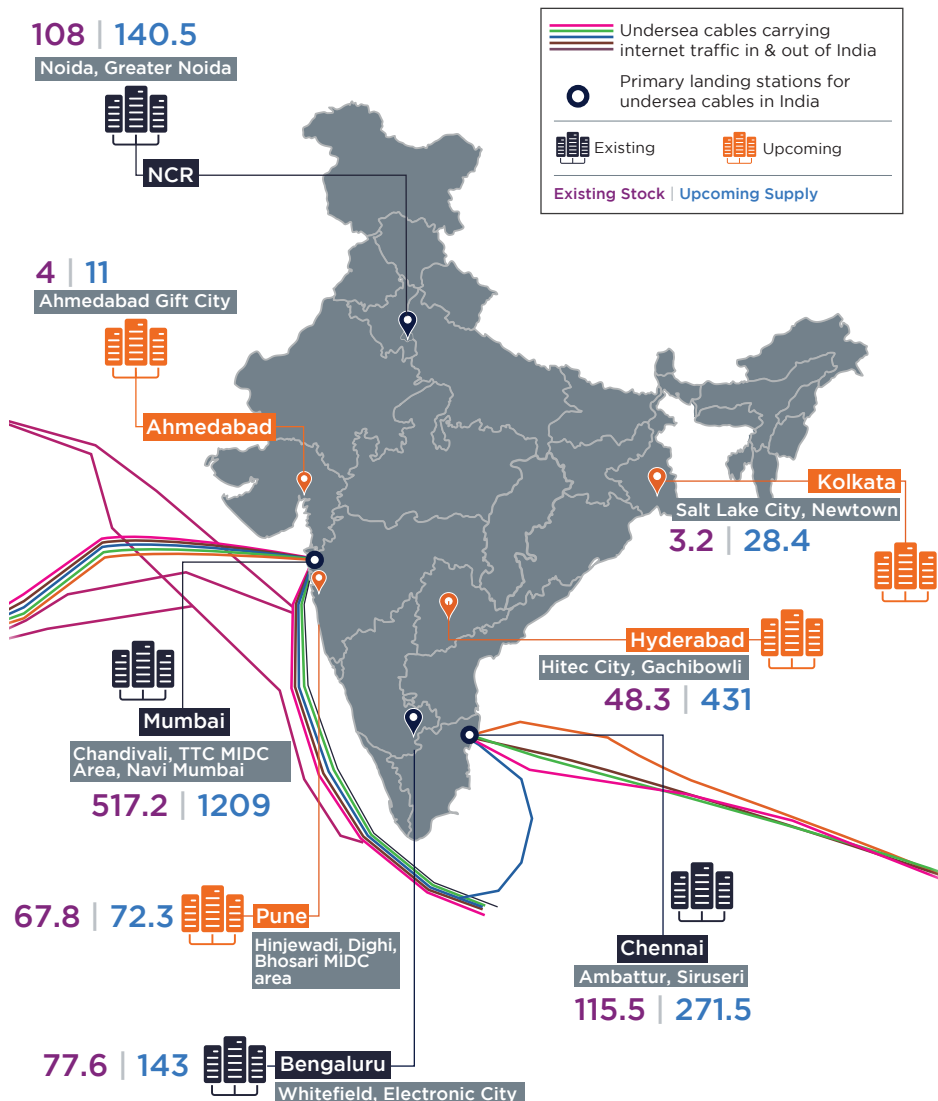


The total IT capacity as of H1 2024 was around 942 MW, which has grown at a CAGR of 22% from 158 MW in 2014, spread across Mumbai (54.9%), Chennai (12.3%), Delhi-NCR(11.5%), Bengaluru (8.2%) and Pune (7.2%). Of the total stock as of H1 2024, stock dedicated for hyperscalers accounted for 22%, stock dedicated for

enterprises stood at 10% and a mix of both hyperscalers and enterprises accounted for the remaining 68%. Although the major absorption has been from hyperscalers across cities, enterprise colocation is witnessing significant growth. Factors such as high CAPEX and OPEX, along with ambiguity in predicting future demand

and scalability, are driving the demand for enterprise colocation. Other aspects such as the high cost of security systems and high-performance GPUs, and high real estate costs are making it more appealing for enterprises, and in turn for operators.

CITY-WISE STOCK AS OF H1 2024 AND UPCOMING SUPPLY (2024-2028) IN MW IT CAPACITY



Source: Savills India Research

KEY DATA CENTRE TRANSACTIONS IN H1 2024

Occupier	City	MW IT Capacity
Hyperscaler	Pune	33.0
Hyperscaler	Mumbai	20.0
BFSI	Mumbai	4.60
BFSI	Bengaluru	2.60
Hyperscaler	Chennai	1.50
IT/ITES	Mumbai	1.24

KEY DATA CENTRE LAND ACQUISITIONS IN H1 2024

City	Location	Acres
Mumbai	Mahape	10
Chennai	Ponneri	10
Chennai	Ambattur	9.96
Mumbai	Mahape	6
Mumbai	Mahape	5
Lucknow	Lucknow	3

Source: Savills India Research



Outlook

India is well positioned to serve as a regional data centre hub in Asia. The adoption of 5G, increased use of internet in Tier-II and III cities, Internet of Things (IoT) and Artificial Intelligence (AI) are likely to drive the demand for data centres. In addition, government initiatives such as Digital India and data protection through data localisation are expected to increase the demand for data centre and cloud services. Supply in excess of 2,000 MW IT capacity is

expected between 2024 to 2030 across the major cities in the country.

The demand for consumption by the end of 2024 is estimated to be around 400 MW IT capacity, complemented with supply of over 350 MW IT capacity during the same period, across major cities. Apart from colocation services, data centre operators are increasing their service offerings to other services such as networking, private and public cloud, GPU-powered solutions and other

managed services. Tier-II and Tier-III cities are expected to drive a significant portion of the demand due to increased internet usage. There is a growing demand for edge DCs in these cities, to complement 5G bandwidth and further reduce latency for mobile and other applications. Additionally, other major drivers include AI and IoT penetration across various sectors, where data centre operators can leverage GPU services to address these demands.



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