Intelligent Investment

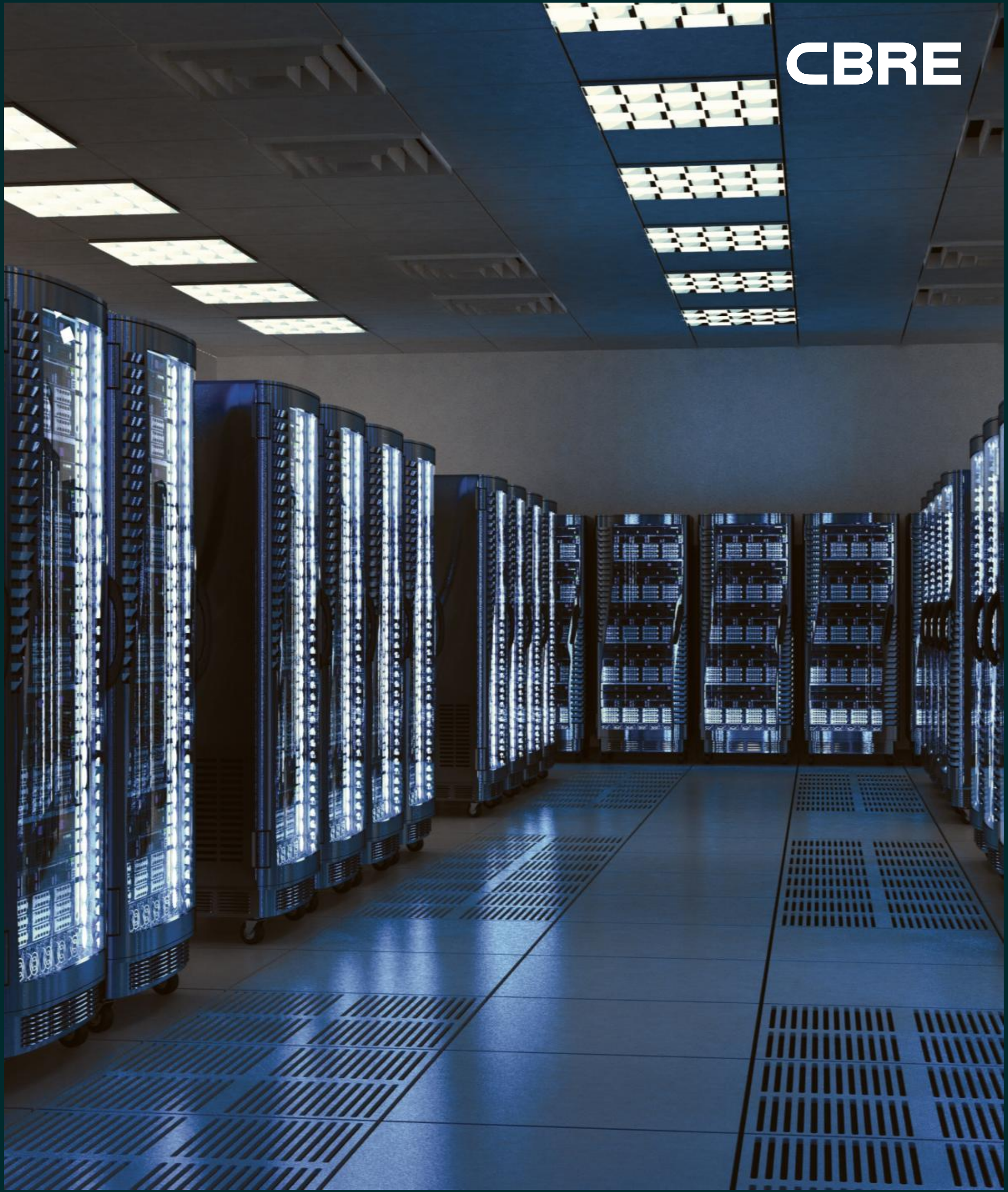
India Data Centre Market Monitor H1 2026

REPORT

INDIA

REAL ESTATE

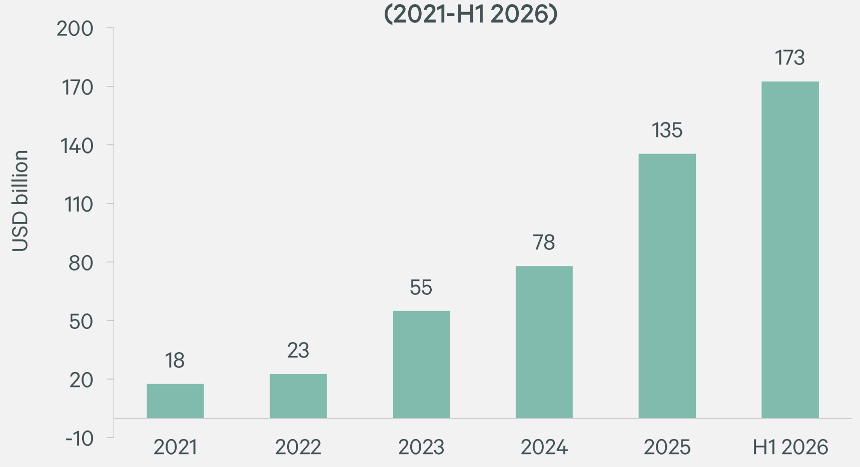
CBRE RESEARCH
SEPTEMBER 2026



Cumulative Investment Commitments in Data Centres Surpass USD 170 Billion in H1 2026

India's data centre (DC) sector attracted ~USD 38 billion in investment commitments during January-June (H1) 2026, taking the cumulative total since 2021 to about USD 173 billion. This sustained momentum demonstrates robust investor confidence, driven by increased cloud adoption, AI-related demand, and ongoing digitalisation initiatives. Investor interest is also evident across the Asia Pacific region, where data centres ranked as the fourth most preferred asset class in CBRE's 2026 Asia Pacific Investor Intentions Survey. The scale of these commitments points to continued capacity expansion, further strengthening India's position as a leading DC market in the region.

INDIA'S CUMULATIVE DC INVESTMENT COMMITMENTS (2021-H1 2026)



USD 38 billion

DC investment commitments in H1 2026

~ 62%

Share of hyperscale and colocation investments in cumulative DC commitments (2021-H1 2026)

~16%

Share of known AI-related investments in cumulative DC commitments (2021-H1 2026)

~ 56%

Share of investments by DC operators in cumulative commitments (2021-H1 2026)

TOP 5 STATES BY DC INVESTMENT COMMITMENTS (2021-H1 2026)*

Andhra Pradesh	17%
Maharashtra	12%
Telangana	9%
Tamil Nadu	4%
Karnataka	3%

Source: CBRE Research, H1 2026 | Note: Investment commitments considered for this analysis include signed, proposed, and ongoing data centre development commitments. | *Approximately 51% of the USD 172 billion in DC investment commitments announced between 2021 and H1 2026 could be mapped to specific states and locations. The leading recipient states are presented in the above infographic.

India's Data Centre Stock Reaches ~1.75 GW in H1 2026

While Japan, Australia, and Mainland China maintain their status as 'Leading Markets' in the APAC region, India has advanced from a 'High-Growth Market' to join their ranks.[1] The country's DC market reached nearly 1,750 MW of operational capacity by the end of H1 2026, following approximately 130 MW of supply additions during the first half of the year. Mumbai accounted for 52% of this inventory (~0.9 GW), followed by Chennai at 18%. The strategic advantages of these markets, including multiple cable landing stations, supportive government policies, and established financial ecosystems, have reinforced their position as preferred destinations for BFSI institutions, cloud service providers, government entities, and technology and media companies (including OTT platforms) seeking robust DC infrastructure.

DC STOCK BY H1 2026-end

~1,750 MW

DC SUPPLY IN H1 2026

~130 MW

CITY-WISE SHARE OF DC SUPPLY IN H1 2026

Mumbai
94% ▲

Chennai
6% ▼

KEY MICRO-MARKETS

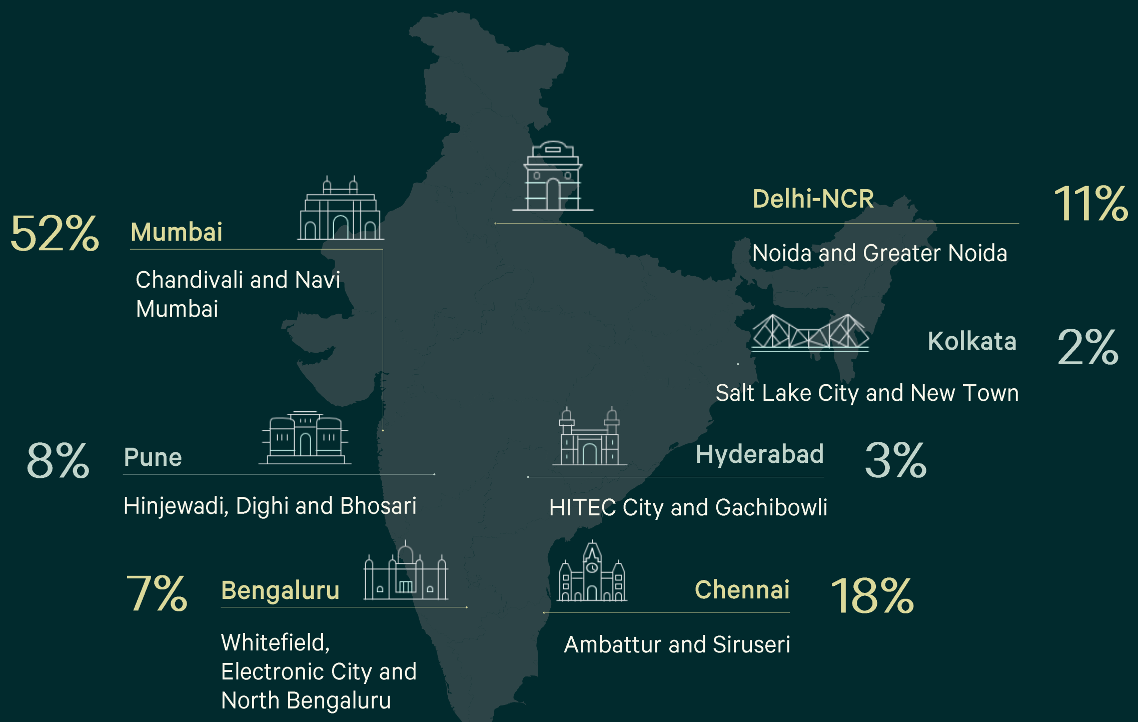
→ Navi Mumbai

→ Siruseri

SHARE OF H1 2026 SUPPLY BY OPERATOR ORIGIN

Domestic Companies	American Corporates	European Corporates
48% ▼	28% ▲	24% ▲

CITY-WISE SHARE OF PAN-INDIA DC STOCK AS OF H1 2026



Tier-I established markets | Tier-II emerging markets | Micro-markets driving growth

Note: Shares may not sum to 100% due to rounding.

Source: 1. CBRE 2026 Asia Pacific Data Centre Trends & Outlook May 2026; CBRE Research, H1 2026

Arrows indicate Y-o-Y change in share of total supply in H1 2026

CBRE's 2026 India Data Centre Operator Survey: Preliminary Findings

Conducted during June-August 2026, the first edition of the upcoming **2026 India Data Centre Operator Survey** captures perspectives from the country's leading DC platforms on market sentiment, growth expectations, and digital infrastructure strategies. The preliminary findings offer a directional view of operator presence, demand drivers, and expansion priorities across India.

STRONG NETWORK CONNECTIVITY DRIVES DC SITE SELECTION

Site selection is primarily influenced by critical infrastructure and market access. Network connectivity emerged as the leading factor for 75% of surveyed operators, followed by power availability, with a focus on grid stability, competitive pricing, and renewable sourcing. Proximity to clients remained important for latency optimisation, while land costs reflected the need to balance infrastructure requirements with overall project economics.

Top four factors for DC site selection

Network Connectivity
75%

Power Availability
67%

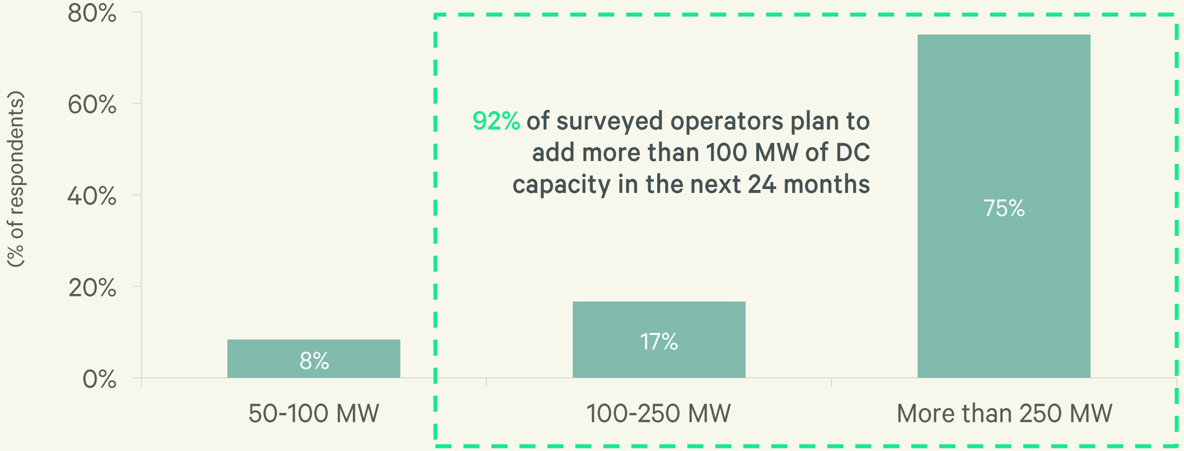
Proximity to Clients
58%

Land Cost
50%

Note: Respondents could select more than one answer; percentages are calculated as a proportion of total respondents and therefore do not add up to 100%.

DATA CENTRE OPERATORS PLAN LARGE-SCALE CAPACITY EXPANSION

Operator expansion plans indicate a strong preference for large-scale capacity additions over the next 24 months, spanning both colocation and hyperscale deployments, with AI expected to be a key demand driver. This is supported by the fact that since 2021, nearly ~USD 48 billion¹ in commitments have been made for hyperscale developments alone. The investor base spans two distinct groups: global cloud majors such as AWS, Microsoft, and Google directly acquiring land to build captive capacity, and leading DC developers / operators expanding through greenfield builds, joint ventures, and strategic land acquisitions for lease or build-to-suit deployment. More than 50% of these investment commitments originate from leading DC developers and operators, highlighting their continued expansion focus.



92% of surveyed operators plan to add more than 100 MW of DC capacity in the next 24 months

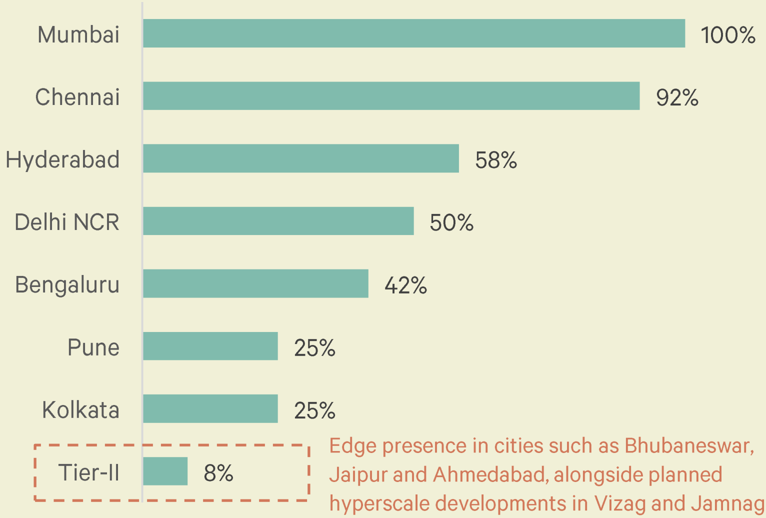
Source: 1. CBRE Research, H1 2026; 2. Ministry of Electronics & IT, March 2026

Source: 2026 India Data Centre Operator Survey (upcoming), CBRE Research, H1 2026

CBRE's 2026 India Data Centre Operator Survey: Preliminary Findings

MUMBAI AND CHENNAI CONTINUE TO LEAD OPERATOR PRESENCE ACROSS INDIA

The survey highlights Mumbai and Chennai as India's most mature DC markets, with over 90% of participating operators maintaining an active presence in both locations. This underscores their position as the country's primary DC hubs, backed by strong connectivity, the presence of hyperscalers, established DC infrastructure and favourable regulatory ecosystems. Hyderabad and Delhi-NCR form the next tier of prominent markets, reflecting growing operator interest and ongoing capacity expansion.



Edge presence in cities such as Bhubaneswar, Jaipur and Ahmedabad, alongside planned hyperscale developments in Vizag and Jamnagar.

BFSI AND CLOUD SERVICE PROVIDERS EMERGE AS DOMINANT DEMAND DRIVERS

BFSI companies, cloud service providers, tech enterprises, and government / PSU entities remain the primary DC demand drivers, according to the survey. Rising UPI volumes and the growing adoption of AI-powered fraud analytics are expected to further drive BFSI workloads. Domestic demand aligns with broader global trends, with hyperscale demand projected to grow at a 14% CAGR (2023-2026).[1] Though still nascent in India, surveyed occupiers highlighted that neo-cloud operators are gaining traction by establishing GPU- and TPU-as-a-service (GPUaaS and TPUaaS)* infrastructure for AI training and inference. While hyperscalers command significantly larger capacities, multiple neo-cloud operators are expected to finalise infrastructure leases or build-outs over the next six to eight months.

BFSI Companies	Cloud Service Providers	Tech Firms	Government, Defence & PSUs
83%	75%	42%	33%
Top cities	Top cities	Top cities	Top cities
Mumbai	Mumbai	Delhi-NCR	Delhi-NCR
Bengaluru	Chennai	Hyderabad	Mumbai

Note: Tenant sector segmentation is based on the sample of DC operators surveyed and may differ from the broader market.

Source: 2026 India Data Centre Operator Survey, CBRE Research, H1 2026; 1. CBRE 2026 Asia Pacific Data Centre Trends & Outlook, May 2026; *GPUaaS and TPUaaS enable organisations to access high-performance AI computing resources through the cloud, allowing them to pay for usage on demand rather than investing in dedicated hardware.

CBRE's 2026 India Data Centre Operator Survey: Preliminary Findings

GREENFIELD SITES REMAIN THE PREFERRED CHOICE

Surveyed DC operators preferred greenfield developments over brownfield sites, as new builds allow facilities to be tailored to hyperscale requirements, future expansion needs, and evolving technology standards. Brownfield sites, which typically involve retrofitting existing facilities with modern hardware, automation and modular upgrades, offer faster deployment but constrain choices around design.

RENEWABLE ENERGY EMERGES AS A STRATEGIC IMPERATIVE FOR DC GROWTH

Renewable energy is becoming central to DC power strategies, driven by corporate sustainability mandates and tenant demand for lower-carbon digital infrastructure. Operators are turning more to direct procurement, power purchase agreements (PPAs), and green-energy partnerships to meet ESG targets. A majority of surveyed operators indicated that renewables currently meet 30-40% of their operational energy needs. This aligns with India's renewable purchase obligation (RPO)* framework, which projects mandated green power procurement to rise to 43.33% by FY2030 from 29.91% in FY2024-25.[1]

TENANT REQUIREMENTS SET TO DRIVE DESIGN CUSTOMISATION IN DATA CENTRES

Surveyed operators reported rising demand for workload-specific data centre designs. As AI adoption expands, hyperscale and neo-cloud occupiers are expected to require higher-density infrastructure, with IT loads of ~30-50 kW/rack against ~8-10 kW/rack in traditional facilities.

STATE POLICIES TO ACCELERATE INSTITUTIONALISATION OF INDIA'S DC SECTOR

Surveyed operators highlighted the role of state policies, incentives and streamlined approval mechanisms in facilitating data centre investments and developments. States such as Maharashtra and Uttar Pradesh offer targeted incentives to attract international capital and sustain long-term growth in the sector.

Source: 1. Ministry of Power Notification, October 2023; CBRE Research, H1 2026. | Note: *Renewable Purchase Obligation (RPO) requires specified consumers, including eligible data centres procuring power through open access or PPAs, to source a prescribed share of electricity from renewable sources.

Top Trends Expected to Define India's DC Sector in 2026

With ~235 MW of additional supply expected in H2 2026, India's total operational DC capacity could approach 2.0 GW by year-end. Key trends expected to shape the sector include:

STRATEGIC DISPERSION OF DC ACTIVITY SET TO GAIN MOMENTUM

While 90% of operational capacity remains concentrated in established markets such as Mumbai, Chennai and Delhi-NCR, incremental supply is expected to extend into secondary and emerging hubs such as Hyderabad, Bengaluru, Kolkata and Visakhapatnam. Favourable state-level incentives, along with availability of land, reliable power and water, are encouraging development activity across these locations.

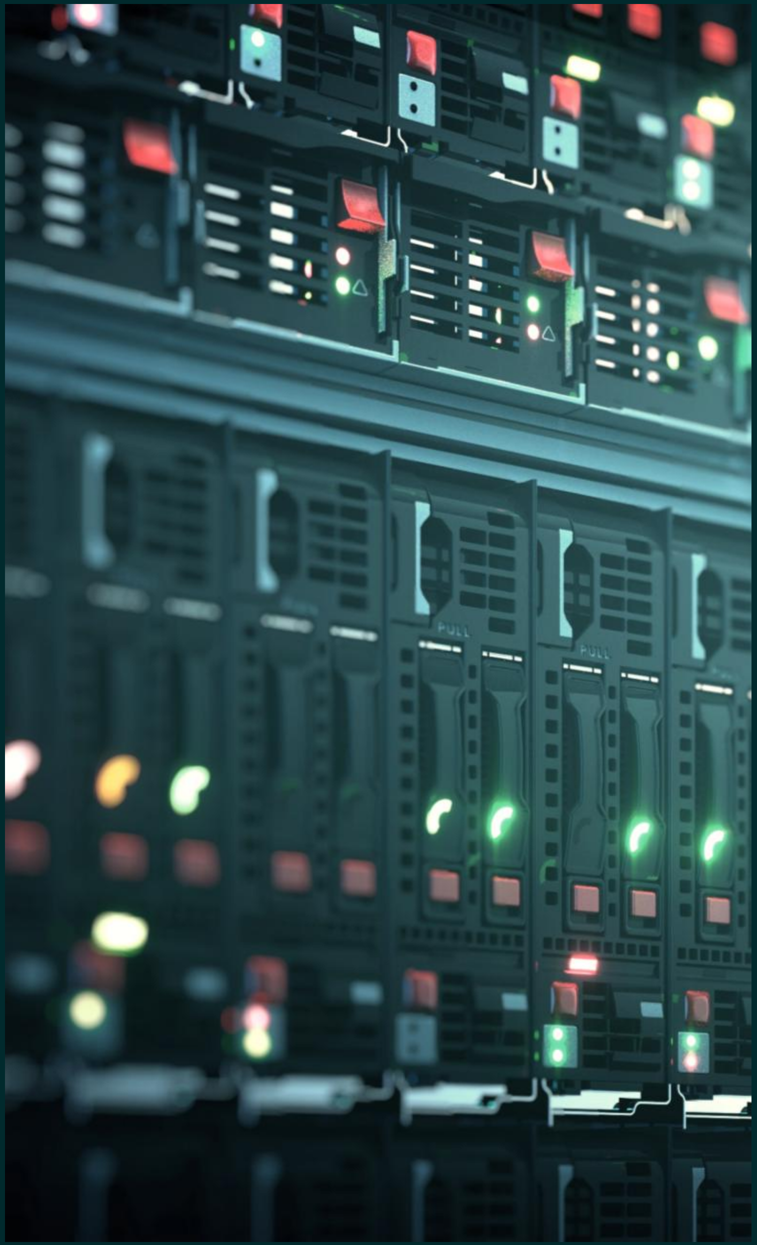
RENEWABLE PROCUREMENT LIKELY TO BECOME MORE CRITICAL

India added a record 44.5 GW of renewable energy capacity in 2025, approximately 1.5x the capacity added in 2024.[1] The wider supply base matters for a sector where power availability remains a key constraint, and operators are likely to make greater use of PPAs and captive generation to meet demand and progress towards net-zero targets.

CAPITAL AND OWNERSHIP MODELS WILL CONTINUE TO BROADEN

India's data centre investment strategies are diversifying beyond traditional build-and-lease models. While joint-venture platforms backed by institutional capital remain the dominant structure, public listings are emerging as an additional avenue for exits and capital raising. AI-factory-linked capital is also beginning to enter the market through strategic co-investments.

Source: 1. Ministry of New and Renewable Energy, December 2025; CBRE Research, H1 2026



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