



Are data centres a competitor or catalyst for the industrial and logistics market?

European Industrial and Logistics – Q1 2026

KEY STATS

231
DATA CENTRES UNDER CONSTRUCTION IN EUROPE

18%
ANNUAL GROWTH IN ENERGY NEED BY 2030

0.5m sq ft
OF LOGISTICS SPACE UNDER OFFER IN THE DUBLIN MARKET

8.4m sq ft
ESTIMATED LOGISTICS DEMAND IN FLAPD MARKETS

Data centres and logistics

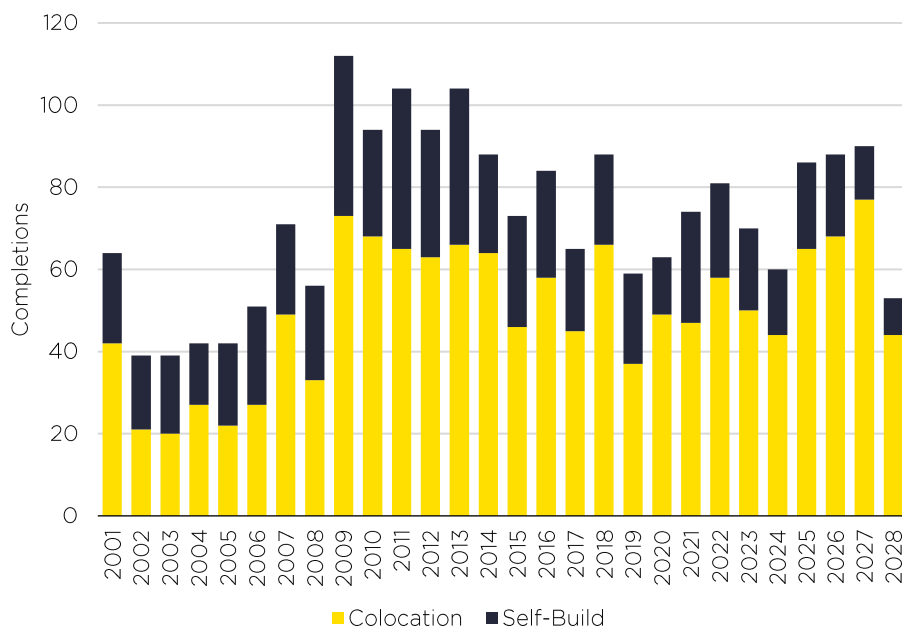
In an increasingly digital world, data centres (DCs) have become the infrastructure that underpins modern society. Beyond this, an arms race for AI supremacy among incumbent tech giants and smaller challengers is driving the need for vast arrays of computing power and storage. This combination of steady digital growth and an AI-driven infrastructure super-cycle has led to a radical rethink of forecasted demand for energy, space and components.

According to Macquarie, global DC power capacity grew by more than 200% between 2015 and 2024, rising from 26 gigawatts (GW) to 81 GW. This figure is forecast to rise to 222 GW by 2030. Comparing the two periods, growth has accelerated from 13.5% per annum to 18.0%. The sector’s energy needs were initially expected to grow slowly and linearly. Far from this, more recent estimates suggest a 15-17% annual uptick in energy demand from DCs.

With both asset types typically operating in similar locations and footprints, DCs and logistics have inevitably begun to compete. Across Europe, we have seen a plethora of examples of speculatively built warehouse units being leased and retrofitted to house DCs. Occupiers are increasingly implementing automation, AI and EV charging into their warehouse operations, as highlighted in our European and UK logistics censuses. Combining constraints and bureaucracy of Europe’s power grids and the energy appetite of DCs only intensifies this competition. With DCs currently outperforming traditional industrial and logistics (I&L) assets in terms of total return, land that would typically have been considered part of the future supply pipeline for the I&L sector is being taken out of play.

This trend shows no sign of abating. According to DCBytes, 231 units are currently under construction and due to be completed by the end of 2028. Indeed, in megawatts (MW), live DCs in the European market account for 10,990 MW, with a further 2,449 MW of DCs under construction. Beyond this, at a more speculative level, there are a further 11,191 MW committed and some 39,206 MW in early stages of planning. It is unlikely that all projects will come to fruition, but the fact that the sector is expecting to see power capacity grow by 22% in the near term – and potentially double over the medium term – is staggering.

Data centres built in Continental Europe



Source: Savills Research based on DCbytes

Will data centre growth drive demand for warehouses?

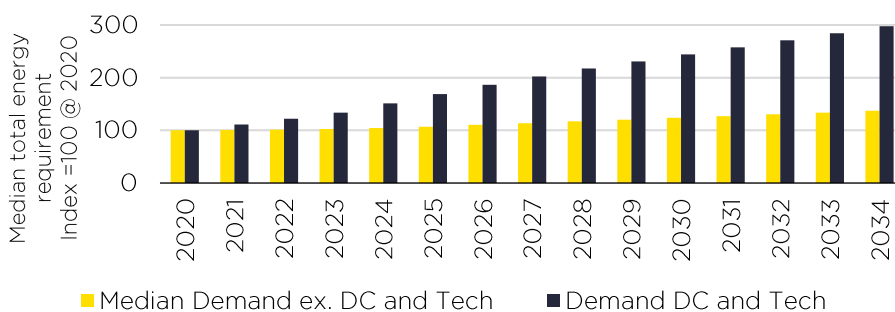
The breakneck pace of expansion has created issues for the sector. Within the Frankfurt, London, Amsterdam, Paris and Dublin (FLAPD) markets — which dominate the European DC market — severe grid congestion has hampered expansion, with grid connections experiencing severe delays and policy risk rising. Dublin presents an interesting case, where a three-year de facto moratorium on new DC grid connections has only recently ended, with new laws now in effect. Under these laws, new developments must include renewable energy projects to produce at least 80% of the energy demand they will generate on the grid. This will drive demand for on-site energy generation, whether through renewables or other sources.

Houston H2 major logistics deals driven by DC demand

Signed	Tenant/Buyer	Area (sq ft)	Industry
Q4 2025	Modular Power Systems	435,680	Industrial Machinery & Supplies
Q4 2025	Enchanted Rock	407,302	Energy
Q4 2025	W-Industries	241,712	Industrial Machinery & Supplies
Q3 2025	Panelmatic	728,080	Industrial Machinery & Supplies

Source: Savills North America

Irish Grid demand for DCs is dramatically outpacing the other consumption



Source: Savills Research using EirGrid



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DCs with the equipment they need, either during the construction phase or when in operation. In Dublin, DC-related occupiers accounted for 10% of annual logistics take-up in 2025, totalling 225,000 sq ft, and Savills is aware of a further 500,000 sq ft of space under offer from tenants involved in the sector. Similarly, in the US, our research indicates that three of the top five deals in the Houston market in Q4 2025 were driven by DC or energy grid-related demand to support expansion in the market's huge DC presence.

How much warehouse space is needed?

Taking these trends in aggregate, expansion in the DC sector is a clear structural tailwind for the I&L sector. The four deals in Houston accounted for 11% of take-up in H2 2025, in line with the 10% of take-up in the Dublin market accounted for by the DC sector in 2025. Comparing total take-up volume in each market relative to the growth in energy demand from DCs currently under construction in each market — 71 MW in Dublin and 250 MW in Houston — we find a corresponding logistics take-up impact of 7,250-10,560 sq ft per DC MW.

Although notably in the case of Houston, we are only taking the top deals, which could push this lower bound even higher. Taking an average of 8,900 sq ft of logistics space per MW and extrapolating demand for the FLAPD markets — where 950 MW of space is currently under construction — we estimate an additional 8,462,000 sq ft (786,130 sqm) of demand for logistics space. While this is an evolving understanding of demand dynamics and analysis, we're already seeing evidence of this demand in the UK, with DC power solutions and AI infrastructure firm AVK SEG leasing 140,000 sq ft of logistics space in the North West.