CUSHMAN & WAKEFIELD

INDIA DATA CENTRE H1 2026 UPDATE

Better never settles

H1 2026

INTRODUCTION

India has been at the forefront of a data centre revolution over the past few years with the country emerging as a leading digital infrastructure hub in the APAC region. A sharp spurt in mobile broadband penetration, which has facilitated expansion of video streaming, gaming and social media activity, has highlighted the need to increase data processing and storage facilities rapidly. An average Indian smartphone user consumes 31 GB of data per month, one of the highest globally, but India's data centre penetration remains low by global standards.

As of H1 2026, India is the third largest data centre market in APAC in terms of operational data centre capacity, with China and Japan occupying the top two positions. Operational capacity has jumped from barely around 400 MW in 2019 to nearly 1.8 GW as of H1 2026. Mumbai remains the largest market in India and one of the largest in APAC with a strong development pipeline ensuring that the city will remain dominant in the medium to long term. Hyderabad, Chennai, Delhi NCR have rapidly emerged as secondary data centre hubs through a combination of policy incentives, improving digital infrastructure, government's digitization initiatives, among other factors. That cloud uptake remains relatively low among Indian businesses and AI-centric high-performance computing is still at an early stage, has made India a market ripe for future growth.

Over the past five years, the country has attracted several global operators and investors even as leading domestic operators have expanded their operations. Dedicated data centre platforms have been formed, large investments have been announced, and cities such as Hyderabad and Mumbai have recorded several new captive AI facilities of global hyperscalers. Visakhapatnam is the newest city which has attracted massive investments in the AI data centre space. At nearly 3.9 GW, India currently has one of the strongest development pipelines (under construction & planned) in the APAC region. However, sustainability has become a strategic planning priority for industry stakeholders given the resource intensive nature of AI data centres.

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 covering various data centre metrics as of H1 2026. We also look at the top 7 cities and key micro markets within these cities.

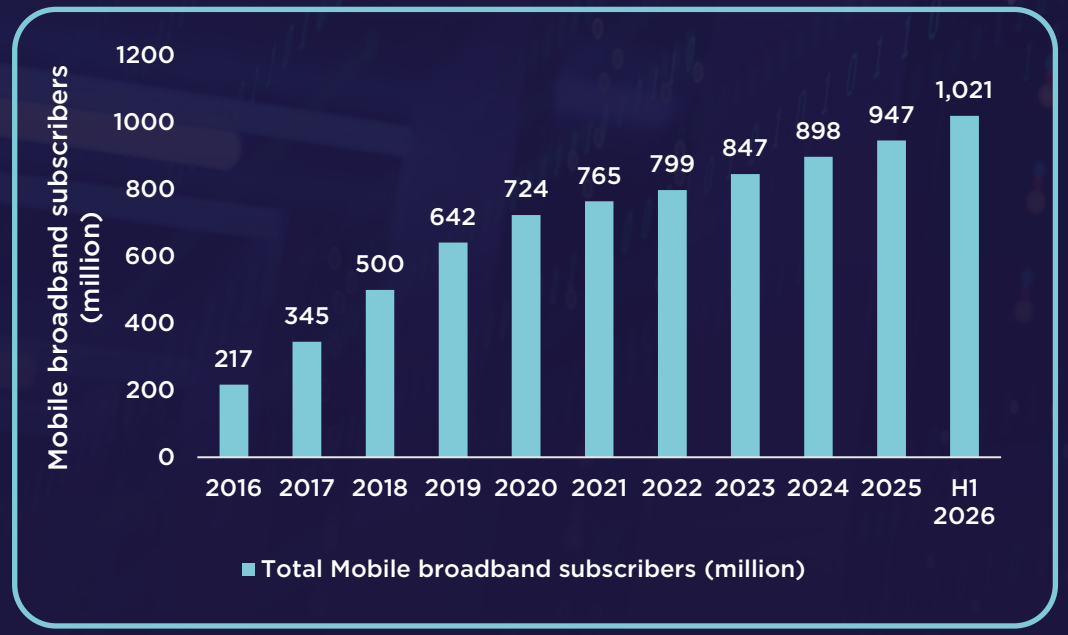
DATA CENTRE DEMAND DRIVERS

Sharp Spurt in Data Consumption

India's mobile broadband usage has grown at an explosive pace over the past few years, to the extent that India is widely acknowledged as a 'mobile first' nation. Mobile broadband subscribers surpassed the 1 billion mark in 2026, nearly 5x surge over the past decade driven by a sharp fall in data plan prices and availability of competitively priced smartphones.

Average data usage stood at 31 GB/user/month as of 2025, one of the highest globally, according to Nokia's Mobile Broadband Index 2025, up from just 1.4GW/user/month in 2016 (Nokia Mobile Broadband Index 2016). Consumption of AI-intensive applications, video streaming and gaming have increased rapidly over the past few years. With the expansion of 5G networks, data consumption is set to rise further.

Robust growth in mobile broadband subscriber base



Source: Telecom Regulatory Authority of India

Policy incentives

The Indian government took a major step in facilitating the growth of the domestic data centre market and enabling India's emergence as a global AI-infrastructure hub through fiscal incentives in the Union Budget FY 2026-27. The Budget proposed tax holiday until March 31, 2047, for foreign cloud and AI service providers using India-based data centres to serve global clients. Foreign firms can use Indian data centres for overseas clients without their global income being taxed in India. However, services offered to domestic Indian customers must be channelized through a local Indian reseller, who will pay standard local taxes.

Diversification of Demand

India continues to witness massive activity from global hyperscaler cloud service providers with rising demand for high-performance computing on the back of expanding enterprise uptake of AI applications.

On the other hand, India's growing status as a cost-competitive AI-infrastructure destination is drawing interest from 'neocloud' providers, a niche category of firms specializing in GPU-as-a-service (GPUaas). These firms provide specialized cloud infrastructure to power AI workloads.

Tax incentives for foreign cloud service providers, growing enterprise AI uptake and large engineering talent are attracting neocloud firms to India. A number of these firms are reportedly at various stages of lease negotiations with leading domestic operators.

Strong Investor Interest

The data centre sector continued to attract large global operators and investors in the first half of the current year. Airtrunk's acquisition of Lumina Cloudinfra and plans to invest USD 30 billion in 5 GW of data centre capacity by 2030 was one of the key highlights this year. Moreover, CPPIB's INR 70 billion (USD 737 million) investment through a strategic stake acquisition in CtrlS as well as creation of a JV with the latter to develop data centres highlights the sector's robust growth outlook.

Nxtra has acquired investments totalling over USD 700 million by Alpha Wave Global, Carlyle and Anchorage Capital to fund expansion plans. Google has acquired over 600 acres of land in Visakhapatnam for its 1GW AI data centre campuses to be developed jointly with AdaniConnex and Nxtra. The project entails investment of USD 15 billion over five years. Colt and RMZ have also announced a 1.25 GW data centre campus at Visakhapatnam with proposed investment of USD 21 billion over the next decade.

Earlier in the year, Adani announced a USD100 billion commitment through 2035 for AI-ready data centres and associated infrastructure. Meta and Reliance have announced a partnership though which Reliance will build a 168 MW AI-ready data centre, which will be leased by Meta with options to scale. In June, International Finance Corporation (IFC) announced a funding of USD 371 million to Sify for two AI-ready data centres in Navi Mumbai and Chennai

Sustainability as a Planning Priority

The rapid scaling of AI workloads is expected to drive a substantial increase in data centre energy demand. As a result, the environmental and resource footprint of data centres will attract greater attention in the coming years, with operators and investors increasingly integrating sustainability considerations into long-term business and growth strategies. Solar is at the forefront of energy transition in India, especially with regards to data centres. Major operators are either investing in captive solar parks or partnering energy firms to deploy renewable energy for data centres. Policy support from states have incentivized 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.

Amongst other, data centre operators are increasingly adopting sustainability-led operating models, including procurement of renewable energy through power purchase agreements, deployment of energy-efficient cooling technologies, rainwater harvesting and wastewater recycling, green building certifications, and efforts to improve power and water usage effectiveness (PUE/WUE). These initiatives will help reduce carbon emissions, conserve resources, and support long-term, sustainable growth of digital infrastructure.

INDIA OVERVIEW (top 7 cities as of H1 2026)

Operational Capacity
1,789 MW

No. of Data Centres
147

No. of Operators
33

Colo vacancy
14.9%

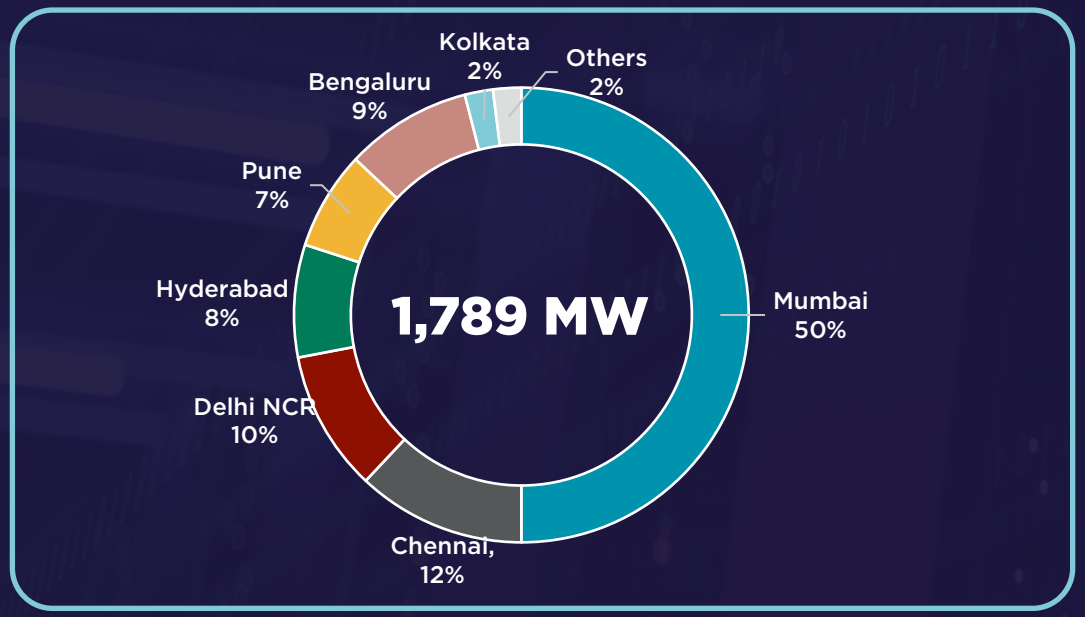
Under Construction Supply
509 MW

Planned supply
3,351 MW

Supply added in H1 2026
178 MW

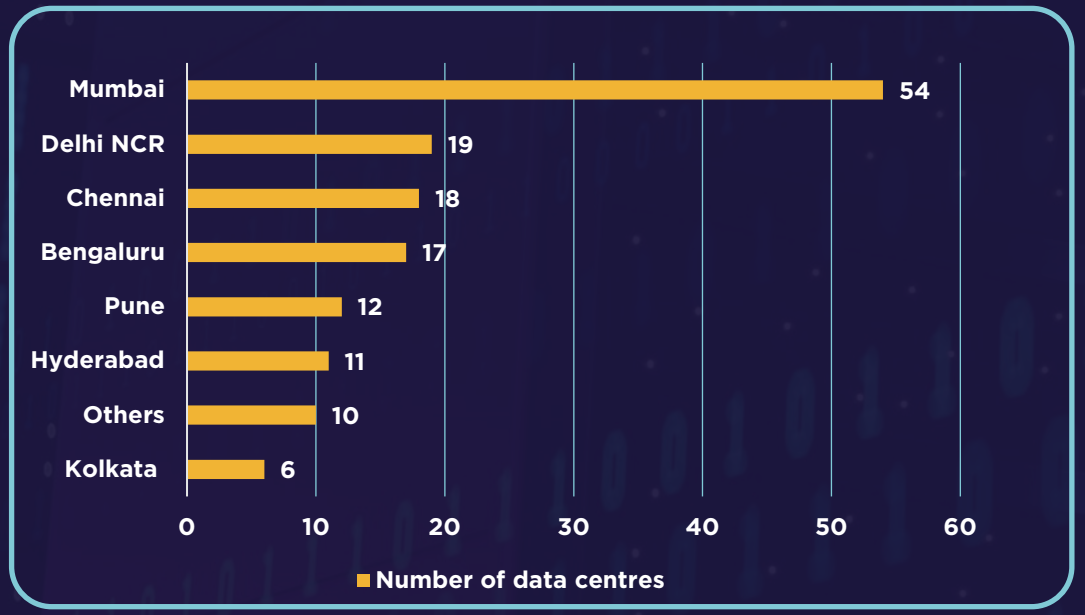
**Note:* *Operational capacity and number of data centres include colo and hyperscaler cloud service providers.*

City-wise distribution of operational capacity, H1 2026



Source: *Cushman & Wakefield DCG*
Note*: *Operational capacity includes colo and hyperscaler cloud service providers.*

City-wise distribution of data centres, H1 2026



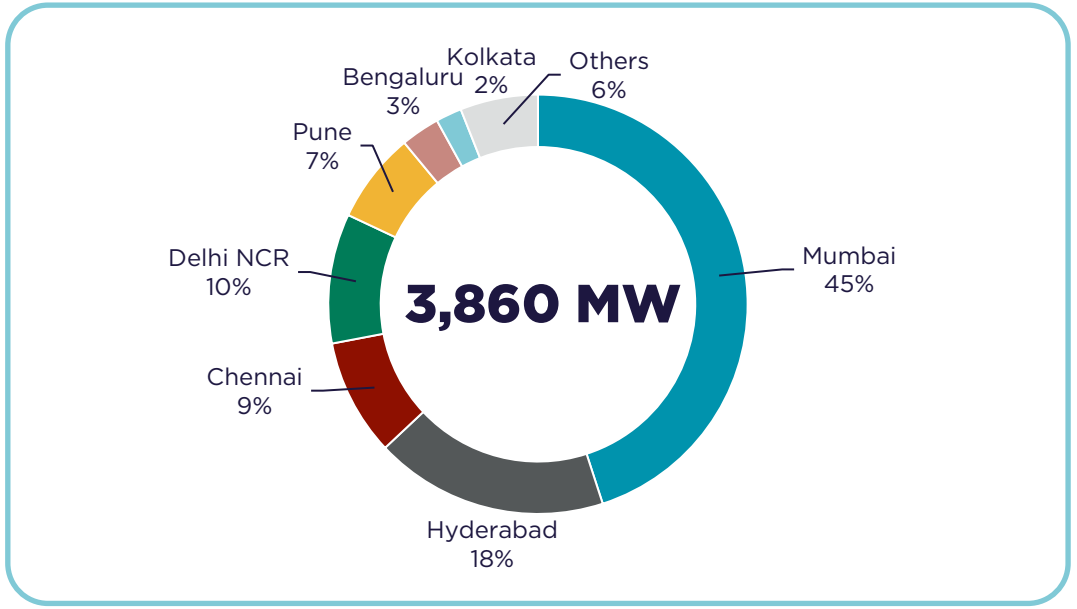
Source: *Cushman & Wakefield DCG*
Note*: *Data centres include colo and hyperscaler cloud service providers..*

Pan India upcoming supply

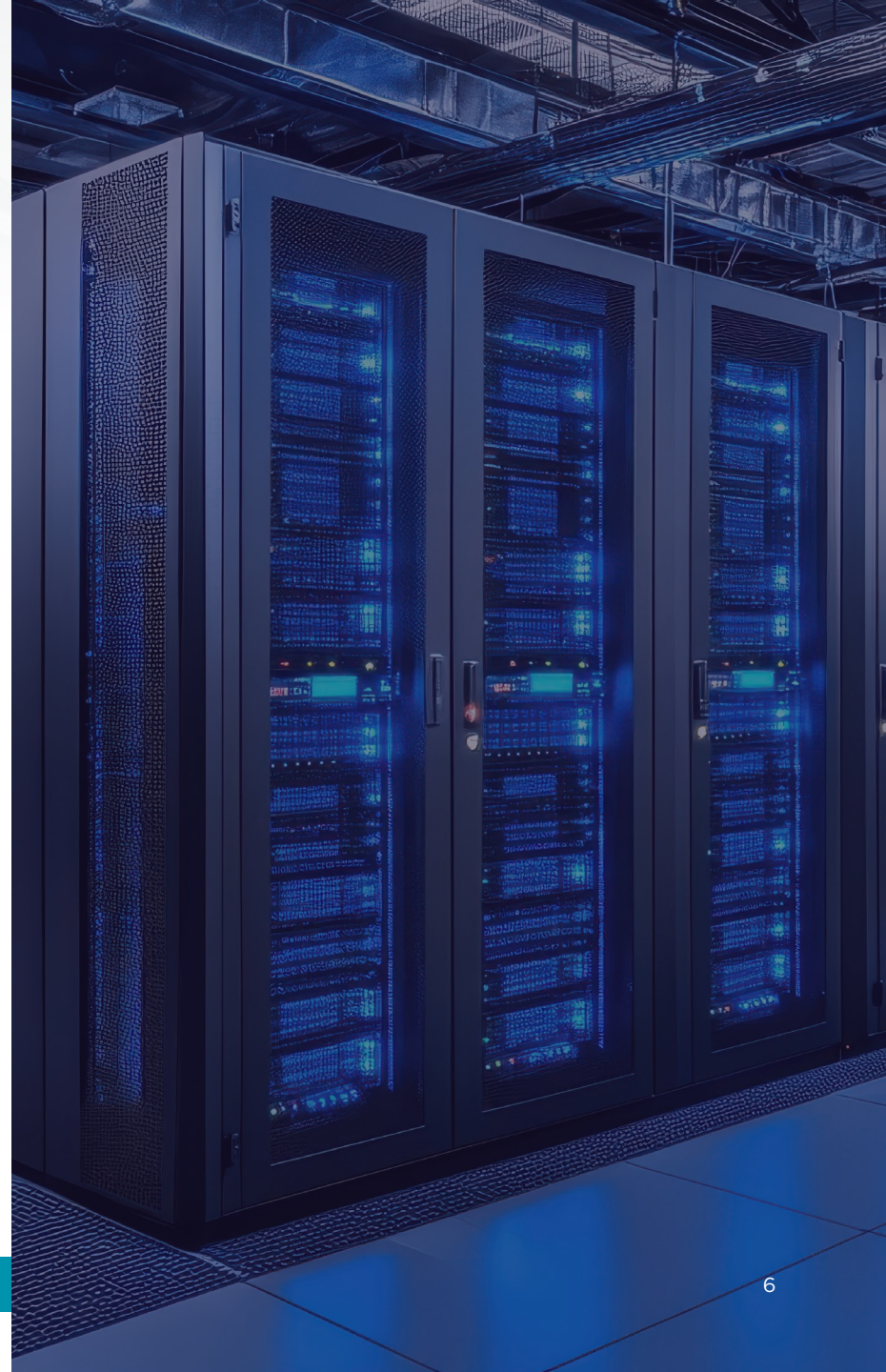
3,860 MW of upcoming supply is expected to be delivered by 2030 including colo and self-built facilities by hyperscale cloud service providers. The upcoming supply comprises 509 MW (under-construction) and 3,351 MW (planned).

3,860 MW (upcoming) = 509 MW (under construction) + 3,351 MW (planned)

City-wise distribution of upcoming supply, H2 2026 - 2030



Source: *Cushman & Wakefield DCG*
Note*: *Upcoming supply includes colo and hyperscaler cloud service providers.*



H1 2026 UPDATE

INDIA
DATA CENTRE
CITY OVERVIEWS

MUMBAI

H1 2026 KEY INDICATORS*

Operational Capacity
890 MW

Under Construction supply
281 MW

Number of Data Centres
54

Planned Supply
1,445 MW

Colo Vacancy
7.9%

Supply added in H1 2026
148 MW

MARKET OVERVIEW

Mumbai remains a pre-eminent data centre hub both in India and the APAC region. The city is a leading primary market in APAC and is expected to cross 1 GW of operational capacity by the end of 2026. New supply remained strong in H1 with the city accounting for around 83% of capacity addition across the top 7 cities. Development pipeline has witnessed rapid growth with upcoming supply (under-construction & planned) reaching 1.7 GW as of H1 2026, highlighting strong market confidence.

Superior digital infrastructure including 13 cable landing stations, power availability and fibre connectivity has attracted large global colo operators and hyperscale cloud service providers. The city continues to see healthy demand from hyperscale, cloud and enterprise customers. Two more cable landing stations, scheduled for completion in 2026, will further strengthen the city's subsea cable connectivity with international locations.

Demand for suitable land parcels in key clusters such as Thane Belapur Road and Powai remained robust during the first half of the year from both colo operators and hyperscale cloud service providers. Operators have been predominantly acquiring sites for AI data centres.

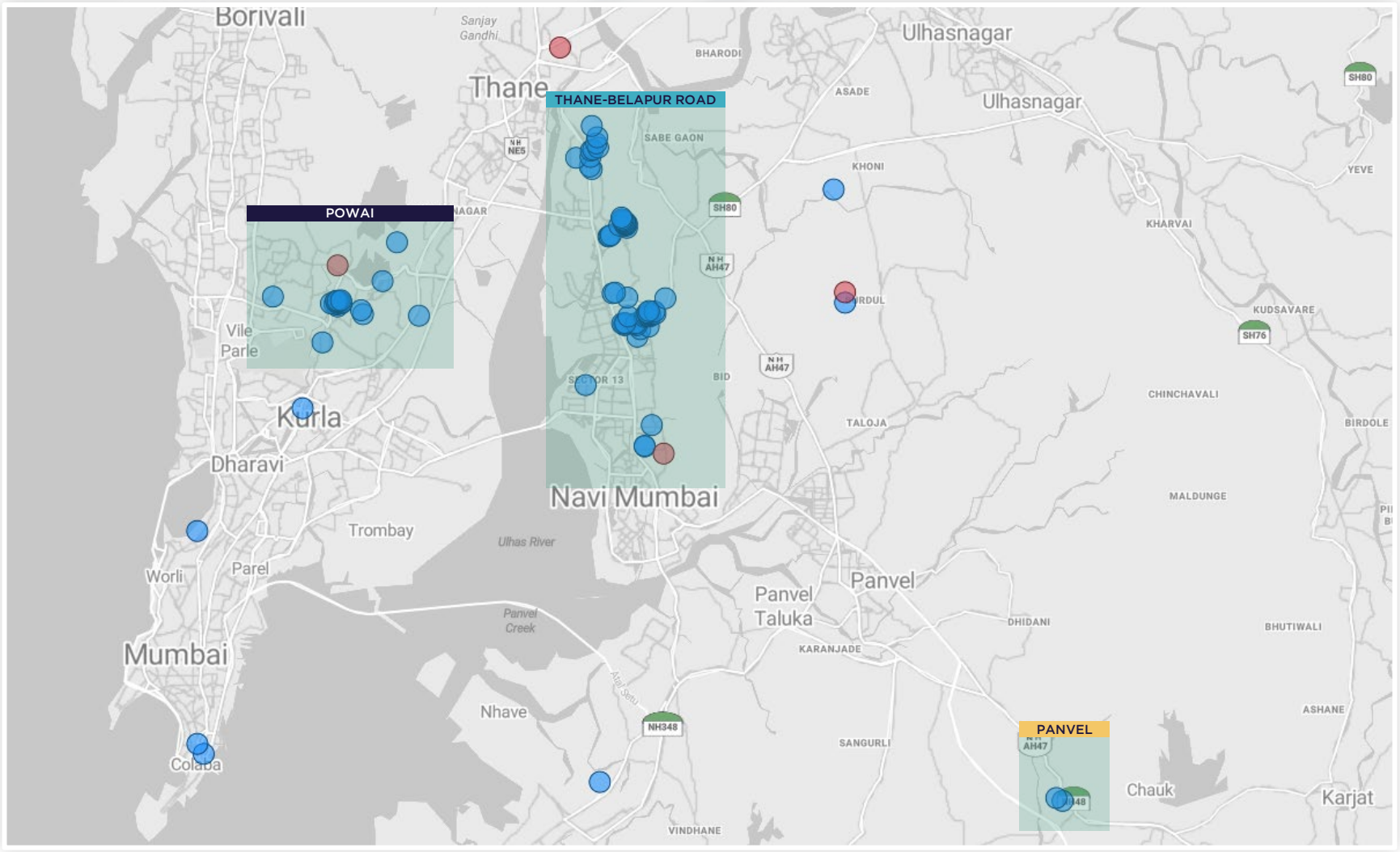
***Note*:** *Operational capacity and number of data centres include colo and hyperscaler cloud service providers.*

Key data centre clusters with operational and upcoming capacity

POWAI
176 MW in operation across **31** data centres
13.1% vacancy rate (COLO)
40 MW UC / **185 MW** planned / **171 MW** early stage

THANE-BELAPUR ROAD
675 MW in operation across **35** data centres
4.4% vacancy rate (COLO)
241 MW UC / **995 MW** planned / **2,286 MW** early stage

PANVEL
22 MW in operation across **2** data centres
56.4% vacancy rate (COLO)
0 MW UC / **75 MW** planned / **75 MW** early stage



Source: *Cushman & Wakefield DCG*

HYDERABAD

H1 2026 KEY INDICATORS*

Operational Capacity
151 MW

Under Construction supply
42 MW

Number of Data Centres
11

Planned Supply
668 MW

Colo Vacancy
28.0%

MARKET OVERVIEW

Hyderabad is developing into a major destination both for colo and hyperscaler self-build projects and a leading Indian hub of AI-enabled infrastructure and services. After launching its new cloud region in the city in 2022, AWS has moved ahead rapidly with expansion of self-build projects in recent quarters. The hyperscaler has recently started construction of a greenfield data centre at Bharat Future City, Hyderabad, expected to give live in 2028. The city's hyperscaler self-build development pipeline has also been strengthened by MS Azure's long term investment commitment. Moreover, robust demand from hyperscalers has continued to drive investments by a number of global and domestic colo operators in greenfield data centre parks.

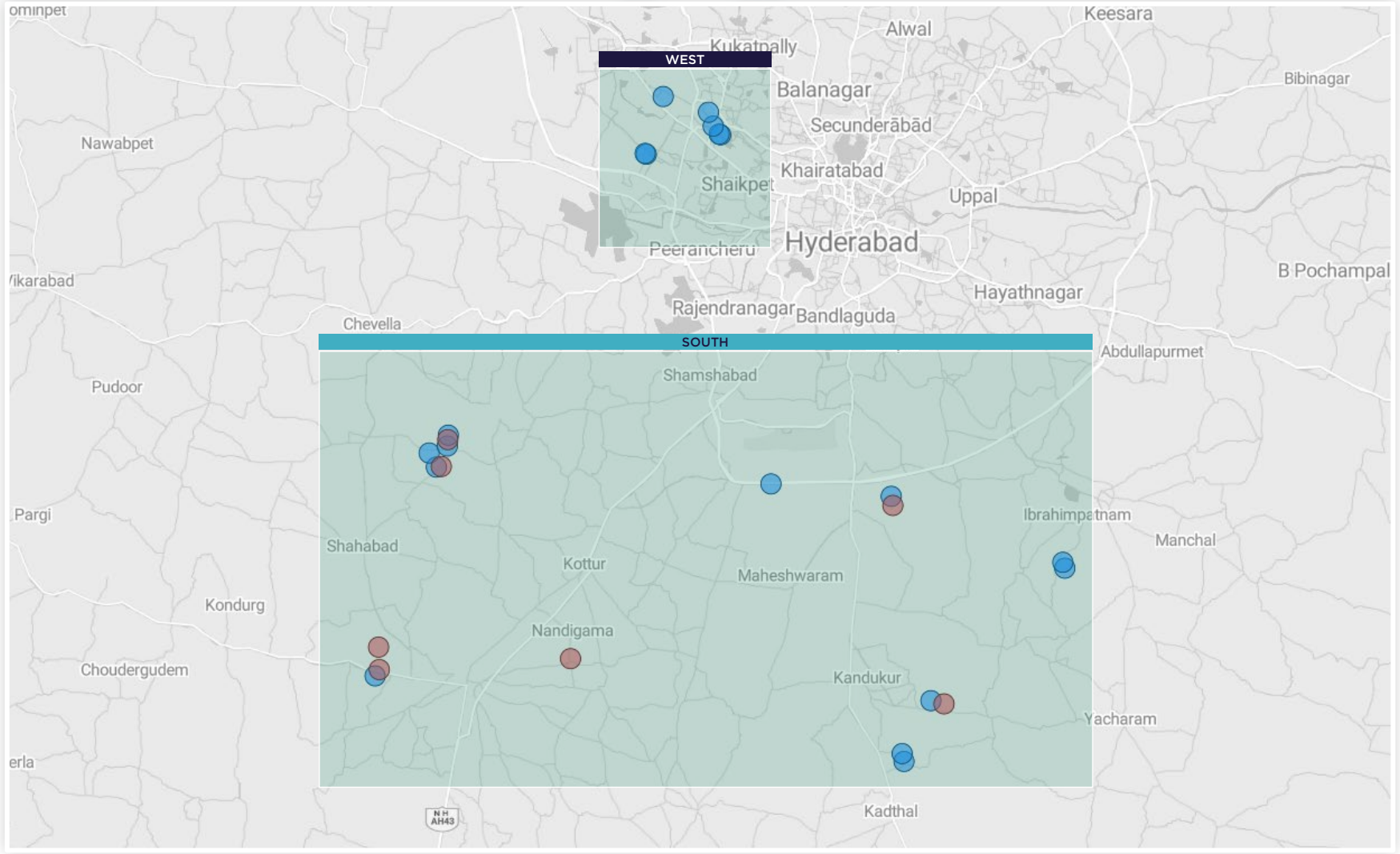
Hyderabad's colo vacancy is relatively high primarily because older data centres continue to witness muted enterprise demand while demand shifts to AI -enabled facilities with significant higher rack densities. Global hyperscalers will remain the key demand drives for upcoming colo facilities and this is likely to reduce vacancy rates in the near to medium term.

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

Key data centre clusters with operational and upcoming capacity

WEST HYDERABAD
59 MW in operation across **8** data centres
28.0% vacancy rate (COLO)
3 MW UC / **34 MW** planned

SOUTH HYDERABAD
92 MW in operation across **3** data centres
0.0% vacancy rate (COLO)
39 MW UC / **634 MW** planned / **1,758 MW** early stage



Source: *Cushman & Wakefield DCG*

CHENNAI

H1 2026 KEY INDICATORS*

Operational Capacity
214 MW

Under Construction supply
55 MW

Number of Data Centres
18

Planned Supply
313 MW

Colo Vacancy
26.7%

Supply added in H1 2026
8 MW

MARKET OVERVIEW

Chennai is a leading data centre market in India and a key secondary market in the APAC region. Superior digital infrastructure including 7 existing cable landing stations and 2 under construction projects have driven demand from global colo and hyperscaler cloud service providers.

The city has witnessed large investments by various international and domestic operators with capital getting deployed in campus-type developments, driven by robust demand from global hyoerscalers. cloud firms. The first phase of one such greenfield data centre park went live in H1. The city recorded a large GPU deployment by a neocloud provider in the first half of the year, indicating greater demand from this segment in the near to medium term.

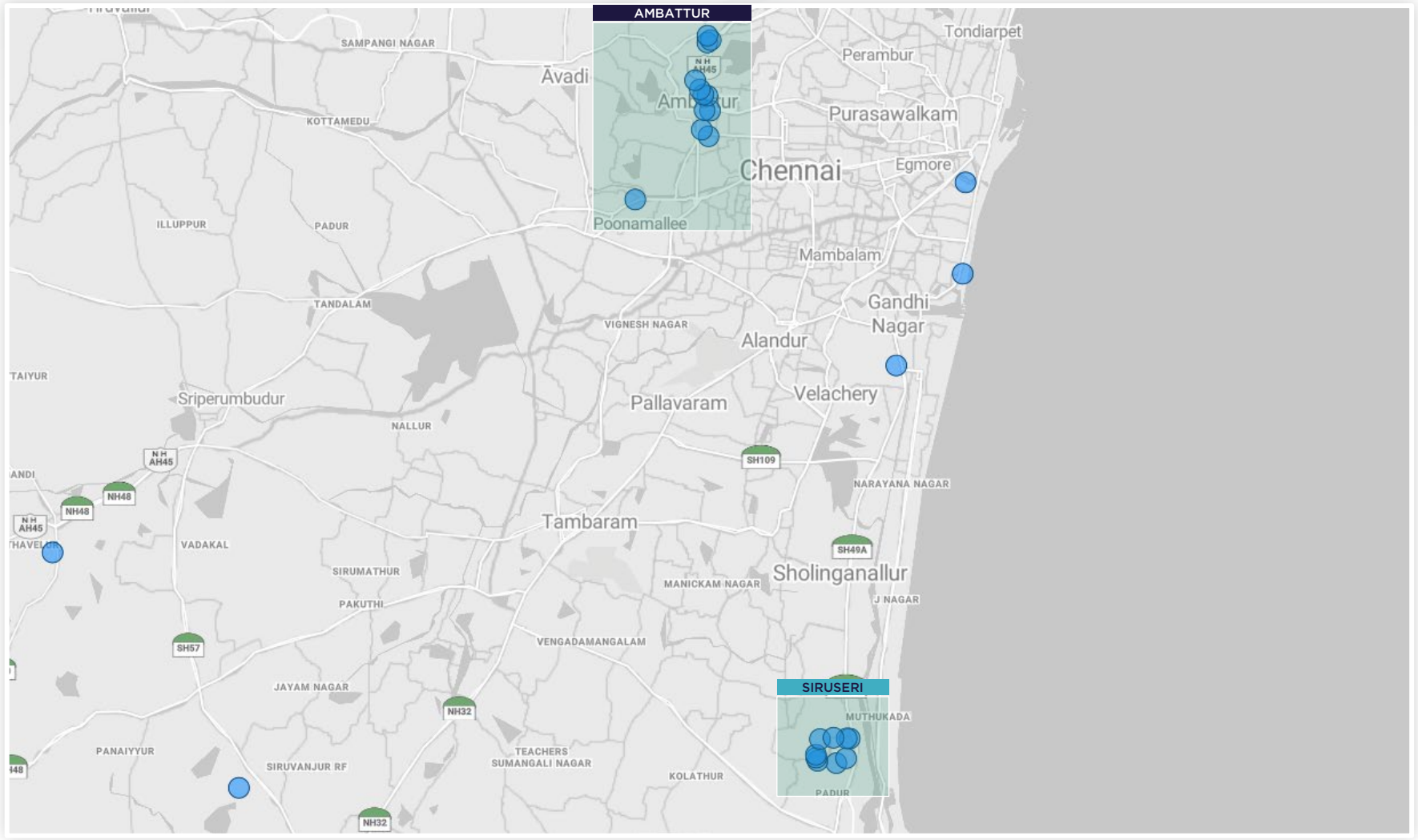
Chennai's high colo vacancy rate is largely the result of significant supply entering the market in recent quarters. However, faster hyperscaler and neocloud deployments are likely to increase occupancies in the quarters ahead.

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

Key data centre clusters with operational and upcoming capacity

AMBATTUR
92 MW in operation across **6** data centres
12.1% vacancy rate (COLO)
42 MW UC / **124 MW** planned / **548 MW** early stage

SIRUSERI
104 MW in operation across **9** data centres
41.7% vacancy rate (COLO)
14 MW UC / **171 MW** planned / **141 MW** early stage



Source: *Cushman & Wakefield DCG*

DELHI NCR

H1 2026 KEY INDICATORS*

Operational Capacity
183 MW

Under Construction supply
27 MW

Number of Data Centres
19

Planned Supply
360 MW

Colo Vacancy
10.9%

MARKET OVERVIEW

Delhi NCR remains the prime data centre hub of Northern India. The Indian government's digital policies, which incentivize digital adoption among public enterprises and government departments, have facilitated healthy data centre investments in the region.

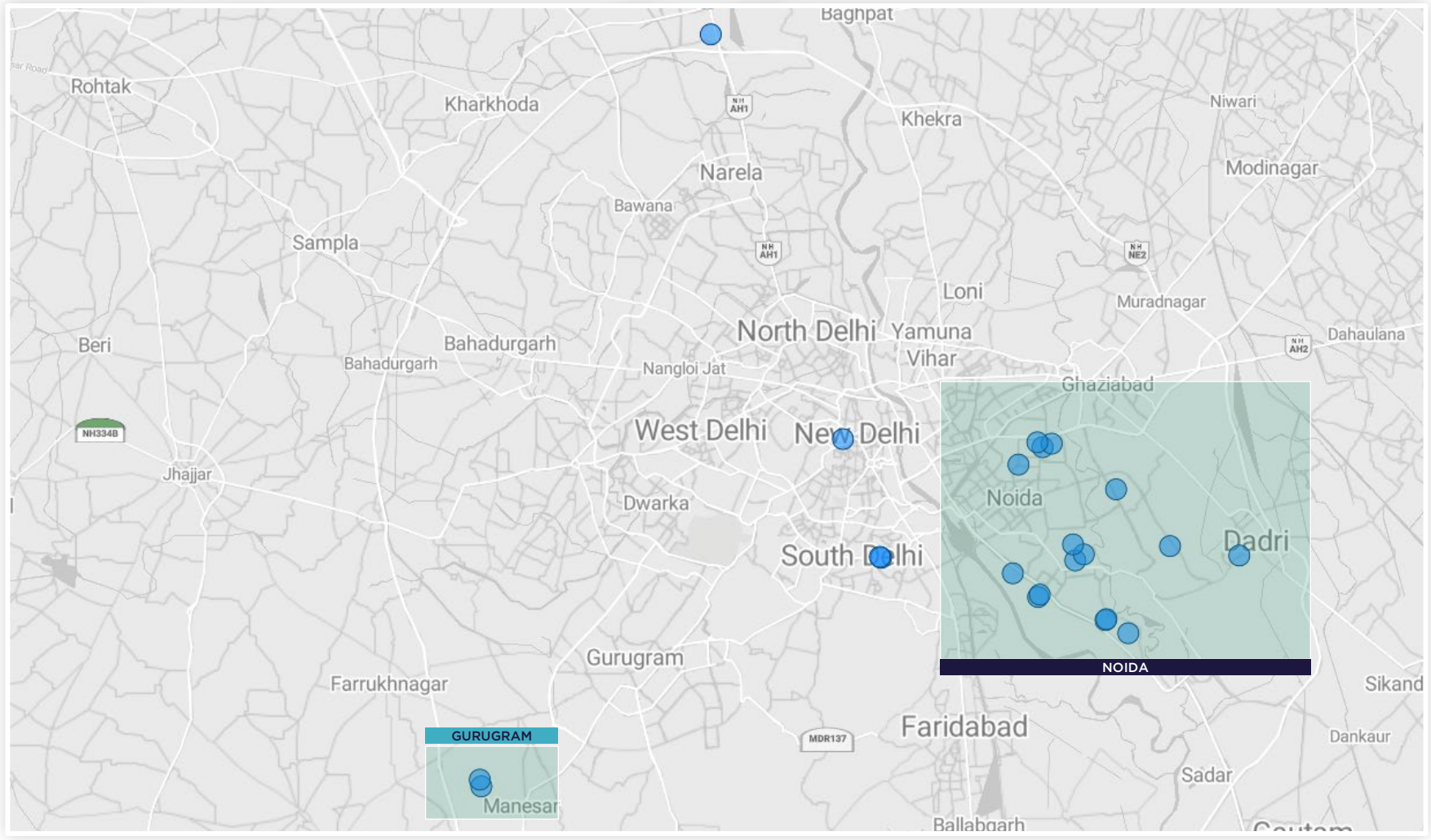
Growing cloud adoption among private businesses and rising demand for AI-driven infrastructure have attracted hyperscaler cloud service providers as well as a number of major domestic and global colo operators. Given the growth of AI-enabled data centres, enabling sustainability has also become a priority for the city's data centre market, with deployment of technologies such as liquid cooling becoming a key focus area.

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

Key data centre clusters with operational and upcoming capacity

NOIDA
156 MW in operation across **12** data centres
11.9% vacancy rate (COLO)
21 MW UC / **223 MW** planned / **1,247 MW** early stage

GURUGRAM
18 MW in operation across **2** data centres
1.9% vacancy rate (COLO)
3 MW UC / **34 MW** planned



PUNE

H1 2026 KEY INDICATORS*

Operational Capacity
133 MW

Under Construction supply
31 MW

Number of Data Centres
12

Planned Supply
227 MW

Colo Vacancy
22.1%

MARKET OVERVIEW

Pune is maturing as a data centre location primarily on the back of greater hyperscaler activity. MS Azure has a cloud region in Pune, has added availability zones and has also acquired land sites for captive cloud developments. In the medium term, availability of competitively priced land parcels with supporting infrastructure is likely to enable both colo and captive cloud projects.

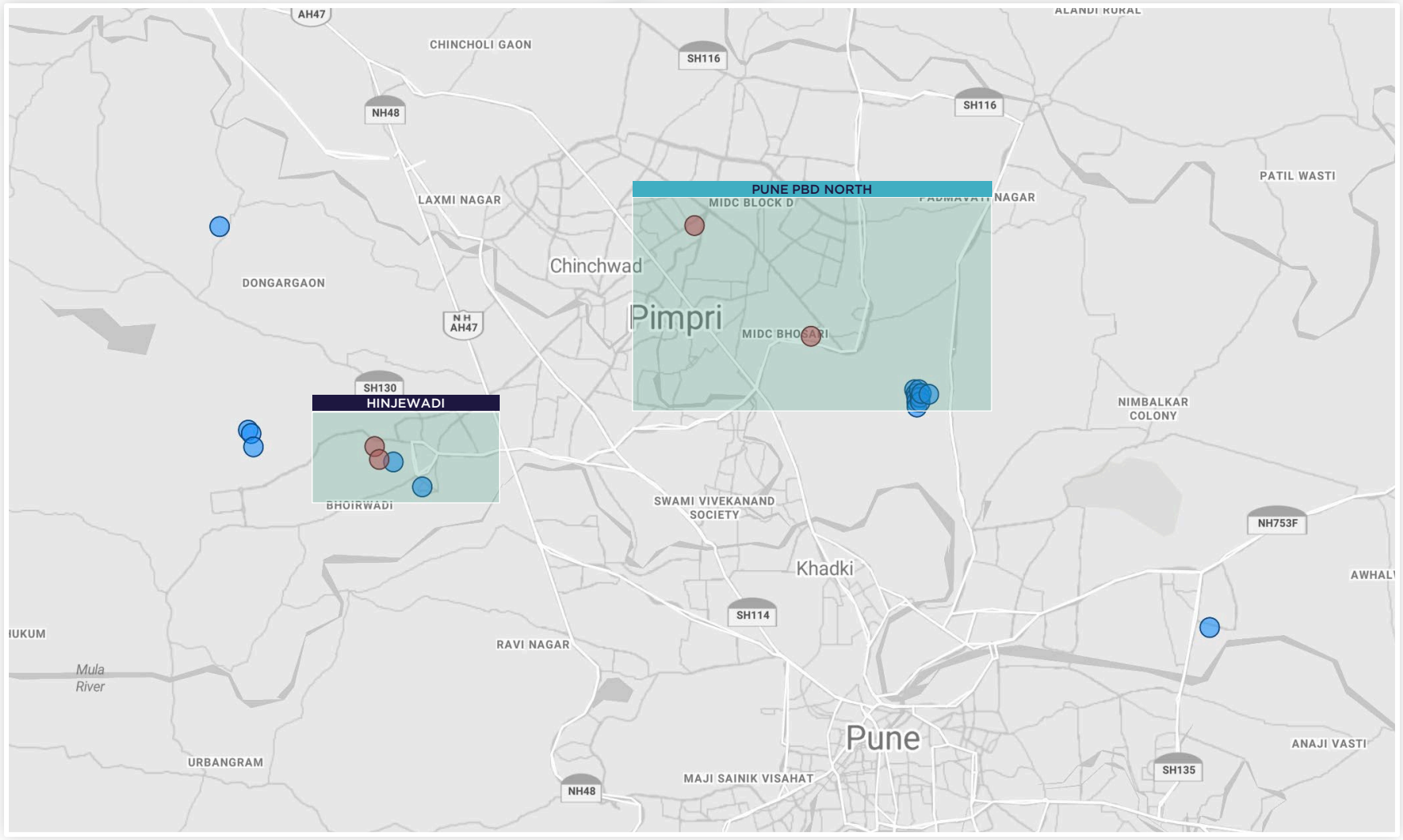
Pune's colo absorption trend is somewhat similar to Hyderabad with demand shifting increasingly to hyperscalers and enterprise absorption relatively lower. Higher supply added in recent quarters and targeted largely at hyperscalers is yet to get completely occupied. Some operators have created modular data capacity, which has resulted in lower occupancy in early operational phases.

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

Key data centre clusters with operational and upcoming capacity

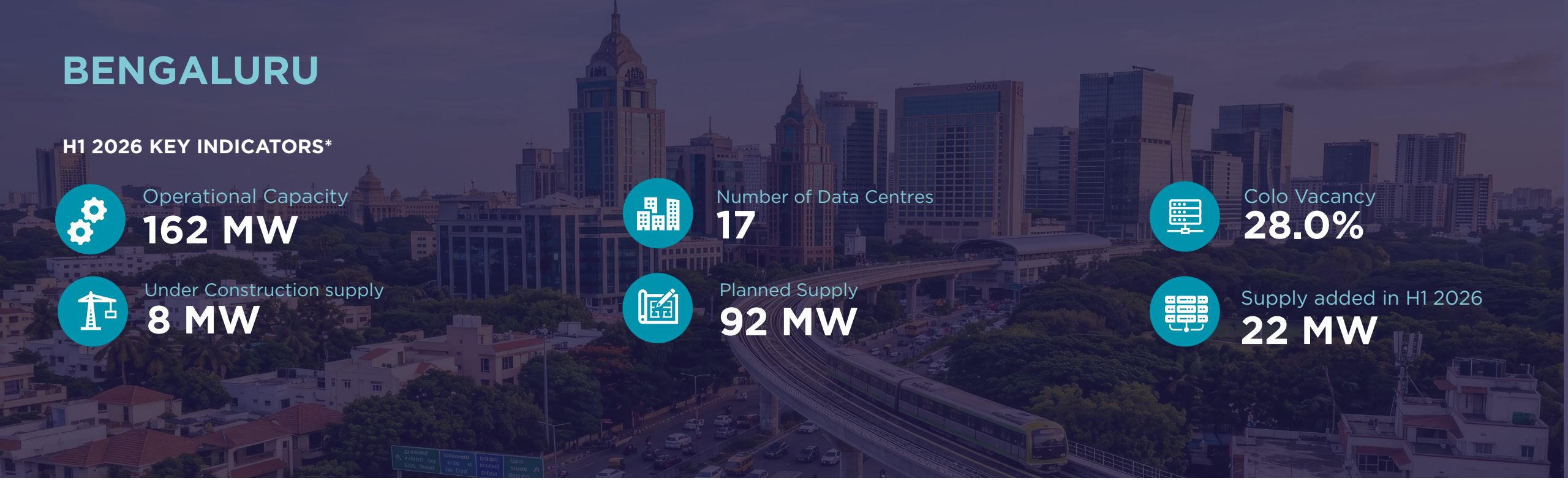
HINJEWADI
37 MW in operation across **5** data centres
32.5% vacancy rate (COLO)
12 MW UC / **58 MW** planned / **160 MW** early stage

PUNE PBD NORTH
92 MW in operation across **2** data centres
16.5% vacancy rate (COLO)
19 MW UC / **169 MW** planned



Source: *Cushman & Wakefield DCG*

BENGALURU



H1 2026 KEY INDICATORS*

Operational Capacity
162 MW

Under Construction supply
8 MW

Number of Data Centres
17

Planned Supply
92 MW

Colo Vacancy
28.0%

Supply added in H1 2026
22 MW

MARKET OVERVIEW

The Karnataka government is looking to add 500 MW of capacity in Bengaluru by 2031 through a Sustainable Data Centre Policy. The 500 MW data centre park has been planned near Hoskote in eastern part of the city with the government committing solar power and treated water supply.

In terms of market activity, some international operators are expanding their operations with new developments, with the first phase of a greenfield data centre park going live in H1. Relatively muted enterprise demand and low hyperscaler activity have kept colo vacancy high. However, a gradual rise in demand from startups, BFSI and R&D centres of multinational firms is likely to translating into improved occupancy going forward.

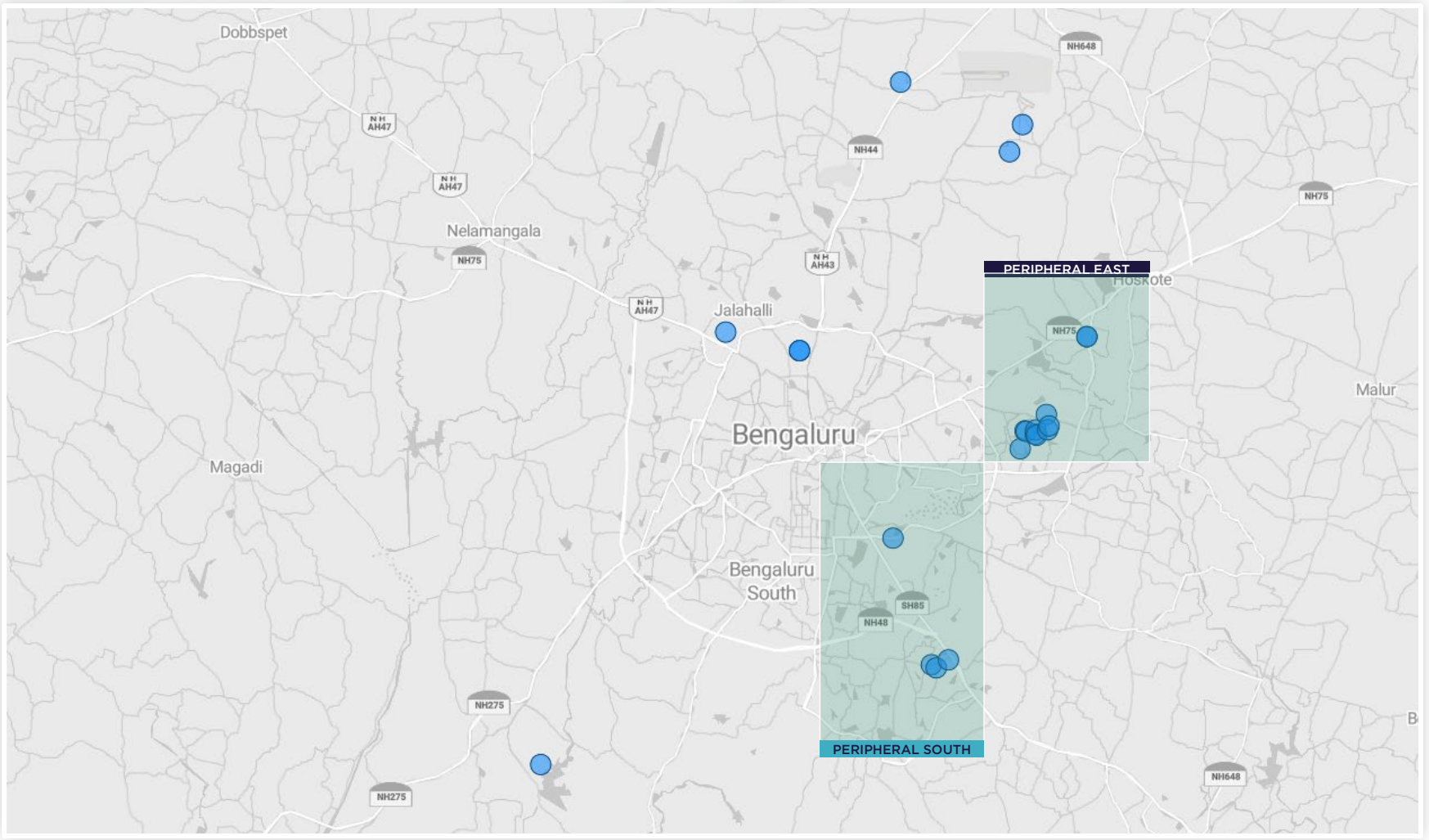
The Karnataka government has also been looking to diversify data centre investments into tier 2 cities with 500 MW data centre capacity planned at Mysuru and Mangaluru. For now though, Whitefield (peripheral east) and Electronic City (peripheral south) remain the major locations with large operational and upcoming facilities.

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

Key data centre clusters with operational and upcoming capacity

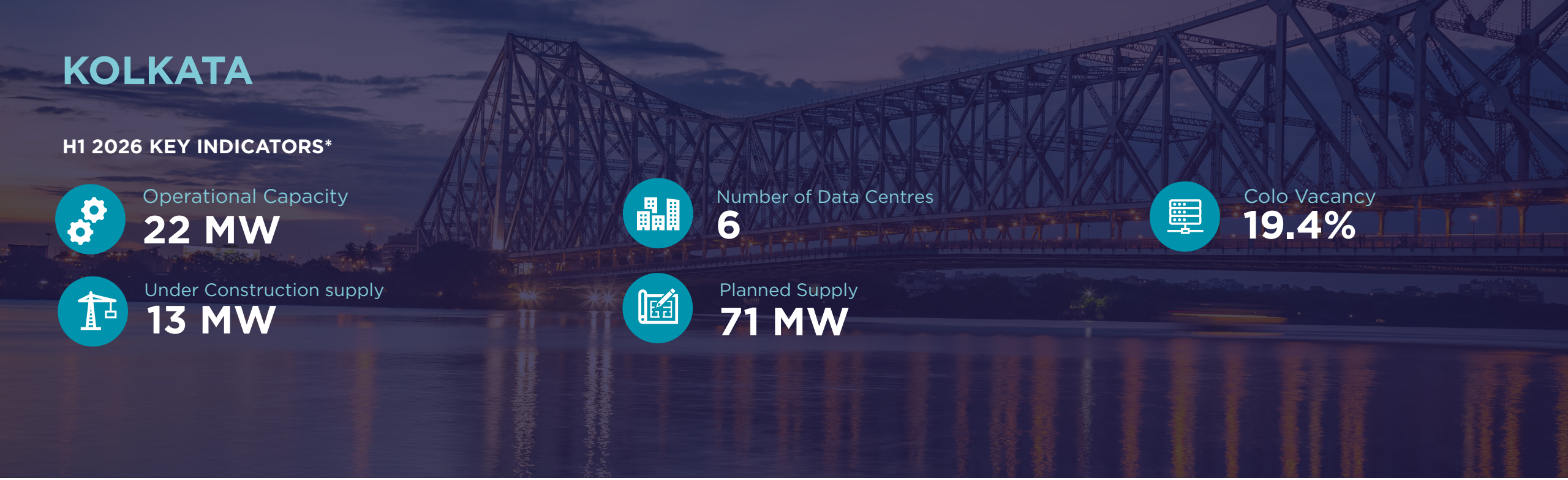
PERIPHERAL EAST BLR
128 MW in operation across **10** data centres
25.2% vacancy rate (COLO)
8 MW UC / **92 MW** planned / **86 MW** early stage

PERIPHERAL SOUTH BLR
22 MW in operation across **4** data centres
34.9% vacancy rate (COLO)
0 MW UC / **0 MW** planned



Source: *Cushman & Wakefield DCG*

KOLKATA



H1 2026 KEY INDICATORS*

Operational Capacity
22 MW

Under Construction supply
13 MW

Number of Data Centres
6

Planned Supply
71 MW

Colo Vacancy
19.4%

MARKET OVERVIEW

Kolkata is emerging as a key data centre hub in eastern India. Demand is primarily driven by the government and private small and medium enterprises.

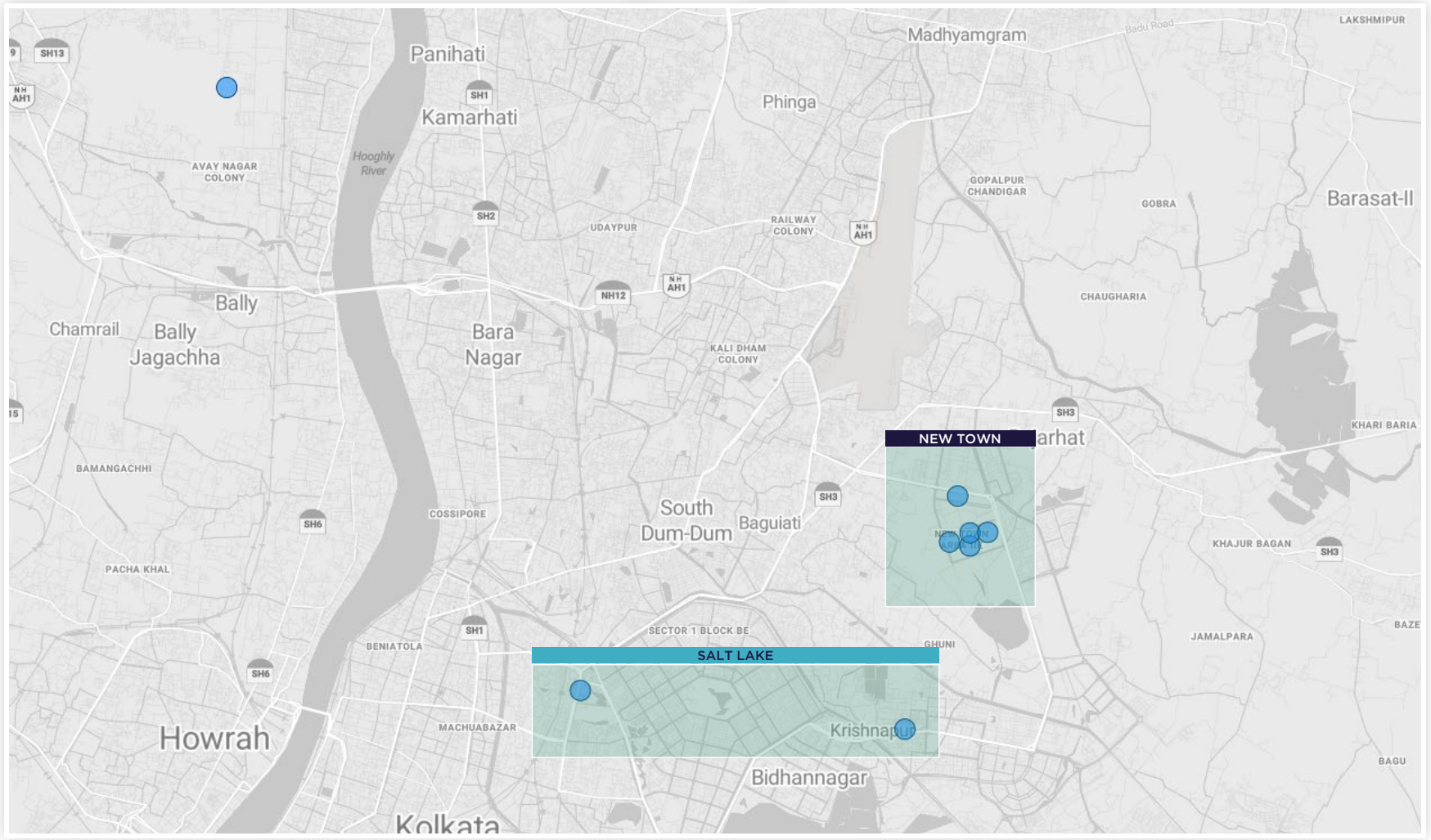
An under-construction cable landing station at Tajpur is attracting large operators. In recent quarters, some domestic and international operators have operationalized greenfield data centres in the city and expansions have been planned in the years ahead. Land sites have been also been acquired by some operators for developments in the future.

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

Key data centre clusters with operational and upcoming capacity

NEW TOWN
18 MW in operation across **4** data centres
22.2% vacancy rate (COLO)
13 MW UC / **71 MW** planned / **48 MW** early stage

SALT LAKE
4 MW in operation across **2** data centres
5.0% vacancy rate (COLO)
0 MW UC / **0 MW** planned



Source: *Cushman & Wakefield DCG*

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