



For Immediate Release

## Over US \$100 billion needed to fund Asia Pacific data centre pipeline in the coming five to seven years: Cushman & Wakefield

**SINGAPORE, February 27, 2025** – APPROXIMATELY US \$116 billion will be needed to build out the existing colocation data centre pipeline across Asia Pacific in the coming five to seven years as demand for the sector grows, according to calculations by Cushman & Wakefield.

The global real estate services firm's recently released [H2 2024 Asia Pacific Data Centre Market Update](#) report shows the pipeline of colocation projects<sup>1</sup> in the region either currently under construction or in late-stage planning stands at 12,452 megawatts (MW).

Using the construction cost<sup>2</sup> of a mid-specification data centre for each market as a benchmark, the total capital required to build out the pipeline currently sits at US \$116.2 billion.

By Cushman & Wakefield estimates, this development pipeline provides an opportunity to generate over \$14.9 billion in annual colocation rent and can potentially achieve almost 13% yield-on-cost ratio for developers.

Report author and **Head of Research & Insights, Data Centre Group, Asia Pacific Pritesh Swamy** said:

"Demand for the sector continues to grow – the Asia Pacific development pipeline is already three times greater than existing operational capacity and as demand for cloud, AI, and large learning machine models increase, the CAPEX requirements continue to grow in scale.

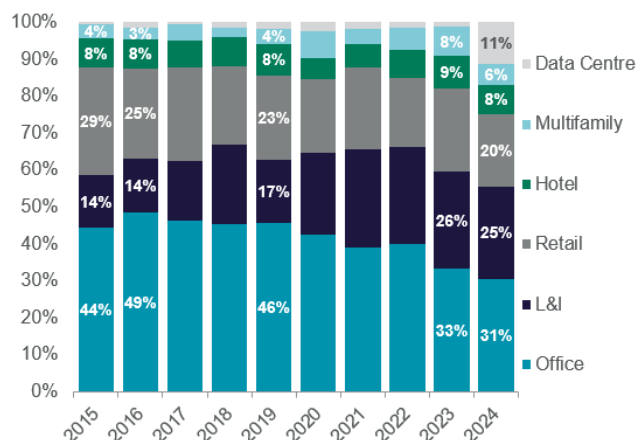
"The investment potential of the sector has well and truly captured the attention of investors, as evidenced by the sector's increasing share of annual real estate investment volumes."

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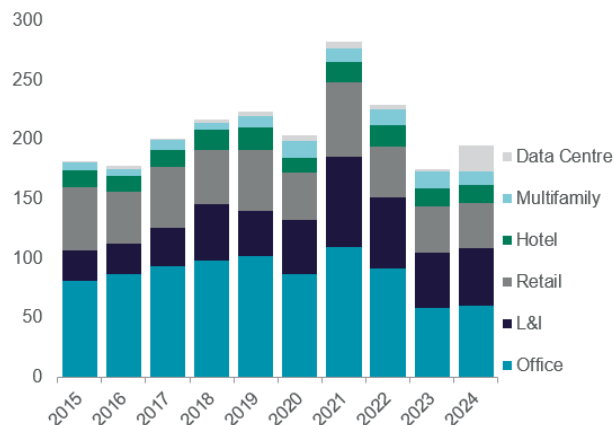
<sup>1</sup> Excluding hyperscale projects

<sup>2</sup> [Asia Pacific Data Centre Construction Cost Guide](#)

Proportion of annual investment volume



Annual investment volume (USDbn)



Source: MSCI-RCA; Cushman & Wakefield

### Five markets account for 80% of pipeline

Of the 12.45 gigawatts (GW) in the pipeline (which excludes land banking activity and projects in early planning stages), over 80% is held in five markets: Japan, India, Australia, the Chinese mainland and Malaysia.

At a city level, Tokyo has the strongest pipeline within Asia Pacific at 1,656 MW, followed by Mumbai (1,143 MW), Johor (1,049 MW), Sydney (783 MW), and Beijing (613 MW). In these key cities, gross yield on cost increases to 14%.

### Head of Capital Markets, Asia Pacific, Gordon Marsden said:

“The often-quoted 20-plus percent CAGR on data centre development and the sector’s potential rental streams mean we continue to see a vast array of participants seeking exposure to development. We have seen these investments rapidly evolve from smaller plays on, for example, a piece of land, to larger scale deployments requiring consortiums that bring together a number of different positions. We do expect to see consolidation as the sector matures, but for now at least, the capital requirements



mean the sector continues to attract vast capital at a faster rate than other asset classes in the CRE universe.”

Marsden said a slow uptick in transactional activity had helped to provide some clarity around pricing in the past 18 months.

“We have seen a flurry of valuation activity in response to recent transactions in Japan, Korea and Singapore. Mostly, these have been legacy data centres that have leaned into enterprise tenants and colocation operators, rather than hyperscale, but they have nonetheless provided some clarity around pricing.”

#### Capital Requirements by market (ranked by capital requirement)

Market	Development Pipeline (MW)	Average Costruction Cost / Market	Capital Required (USD Bn)
Japan	2,678	\$ 13,235,400	\$ 35.44
India	2,299	\$ 7,126,938	\$ 16.38
Australia	1,610	\$ 9,632,409	\$ 15.51
Greater China - mainland	1,891	\$ 7,110,438	\$ 13.44
Malaysia	1,319	\$ 8,784,484	\$ 11.59
Greater China - Hong Kong	698	\$ 9,391,444	\$ 6.55
South Korea	618	\$ 9,504,758	\$ 5.87
Indonesia	517	\$ 9,024,147	\$ 4.67
Thailand	191	\$ 7,668,994	\$ 1.46
Singapore	124	\$ 11,740,262	\$ 1.45
New Zealand	147	\$ 9,259,955	\$ 1.36
Philippines	156	\$ 6,966,214	\$ 1.09
Greater China - Taiwan	113	\$ 6,393,241	\$ 0.72
Vietnam	92	\$ 6,935,600	\$ 0.64
<b>Asia Pacific - total</b>	<b>12,452</b>		<b>\$ 116.18</b>



**Note to Editors**

1. *All figures are in US dollars.*
2. *The [2025 Asia Pacific Data Centre Construction Cost Guide is available here](#)*
3. *The [2024 H2 Asia Pacific Data Centre Market Update is available here](#)*

**About Cushman & Wakefield**

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 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](http://www.cushmanwakefield.com).

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