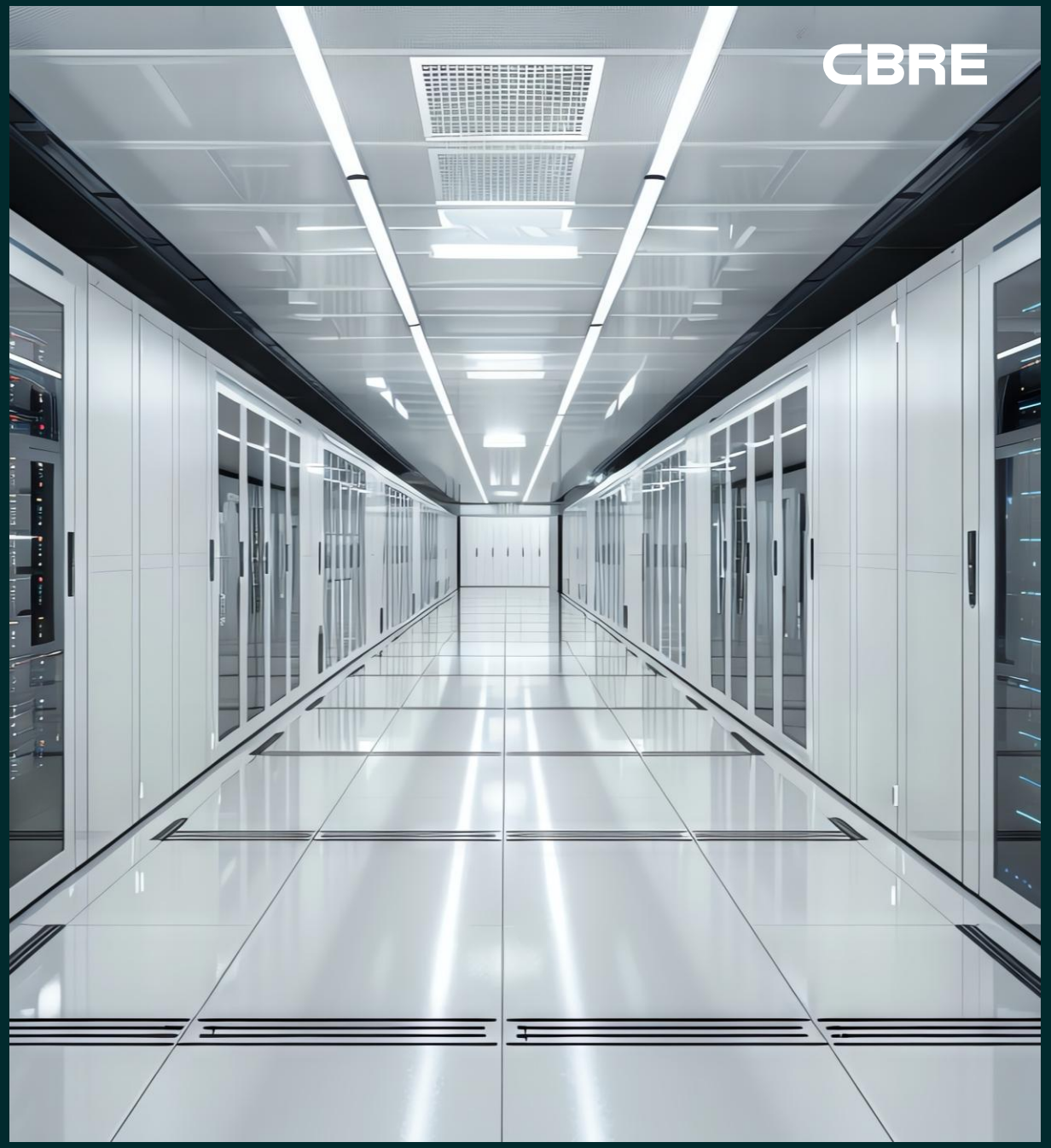
The real estate infrastructure behind the AI economy

State of the Iberian Data Center Market

REPORT

DATA CENTER SOLUTIONS

JULY 2026



Contents

01 **Global Data Center Dynamics Shaping A New Investment Cycle**

02 **Data Center Real Estate Business**

03 **Iberian Data Center market**

04 **CBRE Data Center solutions Platform**



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01

Global Data Center Dynamics Shaping A New Investment Cycle



Three global forces transforming the digital infrastructure and data center market



01

Enhanced Connectivity

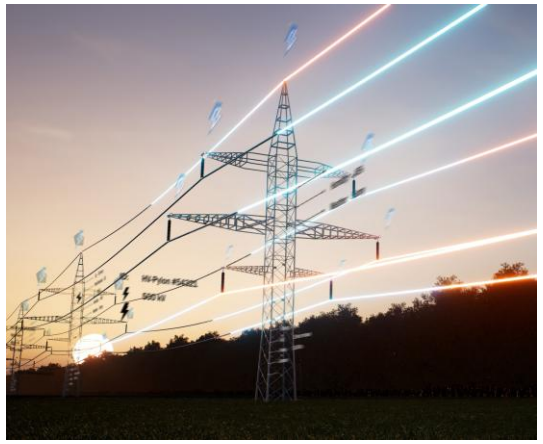
The continued expansion of global networks is increasing data traffic and sustaining long-term demand for data center capacity.



02

Computing Power

AI and advanced workloads are increasing compute intensity requiring higher performance and more power-dense infrastructure.



03

Energy Autonomy

Limited grid capacity is becoming a constraint, pushing operators and investors to secure direct access to power.

Source: CBRE.

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Connectivity is driving a continuous expansion of data generation and traffic which is anchoring long term demand for data center capacity



Connectivity Infrastructure

(submarine cables & satellites)

Global network expansion is improving cross-border data exchange



Interconnected Users

Digital services are now embedded in everyday use, increasing reliance on connectivity



Data Generation

Data volumes continue to grow across all sectors



Data Traffic

Traffic is becoming more continuous and real-time



Data Center Demand

Data centers must scale to support processing, storage and interconnection

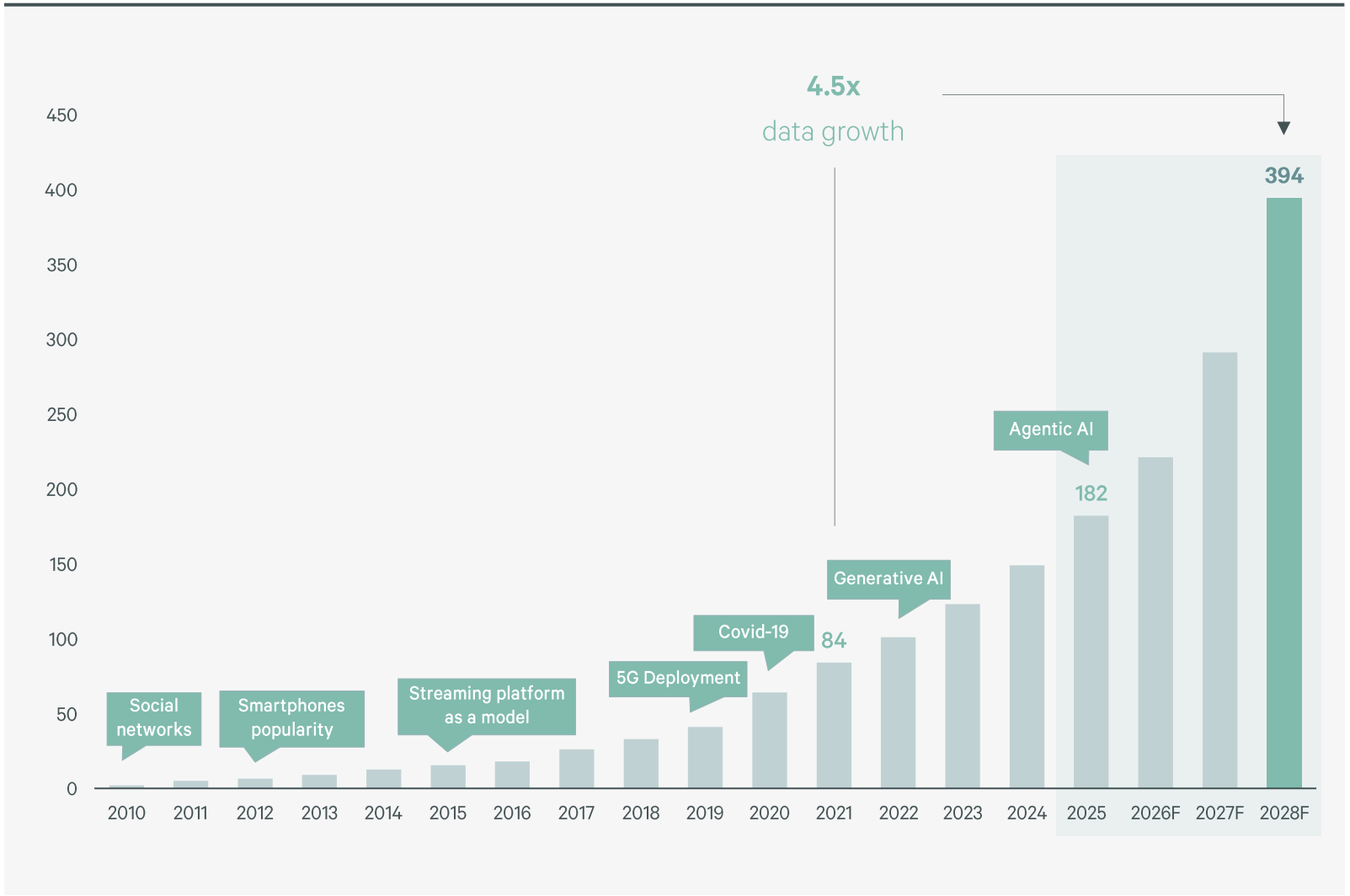
Source: CBRE.

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Global data volumes are growing rapidly, showing no signs of slowing and continuing to drive incremental demand

Total data generated and consumed is expected to reach 394 zettabytes by 2028 which is more than 4.5x the level of 2021 and over 2x compared to 2025.

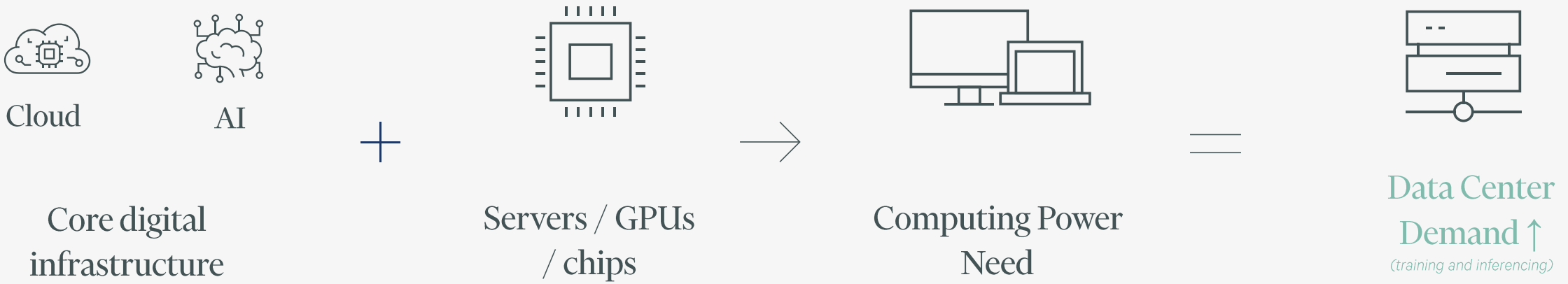
Global volume of data generation and consumption
in zettabytes (ZB)



Source: Statista, CBRE Research Q3 2026.

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While cloud continues to support the digital infrastructure, GPU based computing is now adding a second demand layer and increasing the need for data center capacity at unprecedented speed



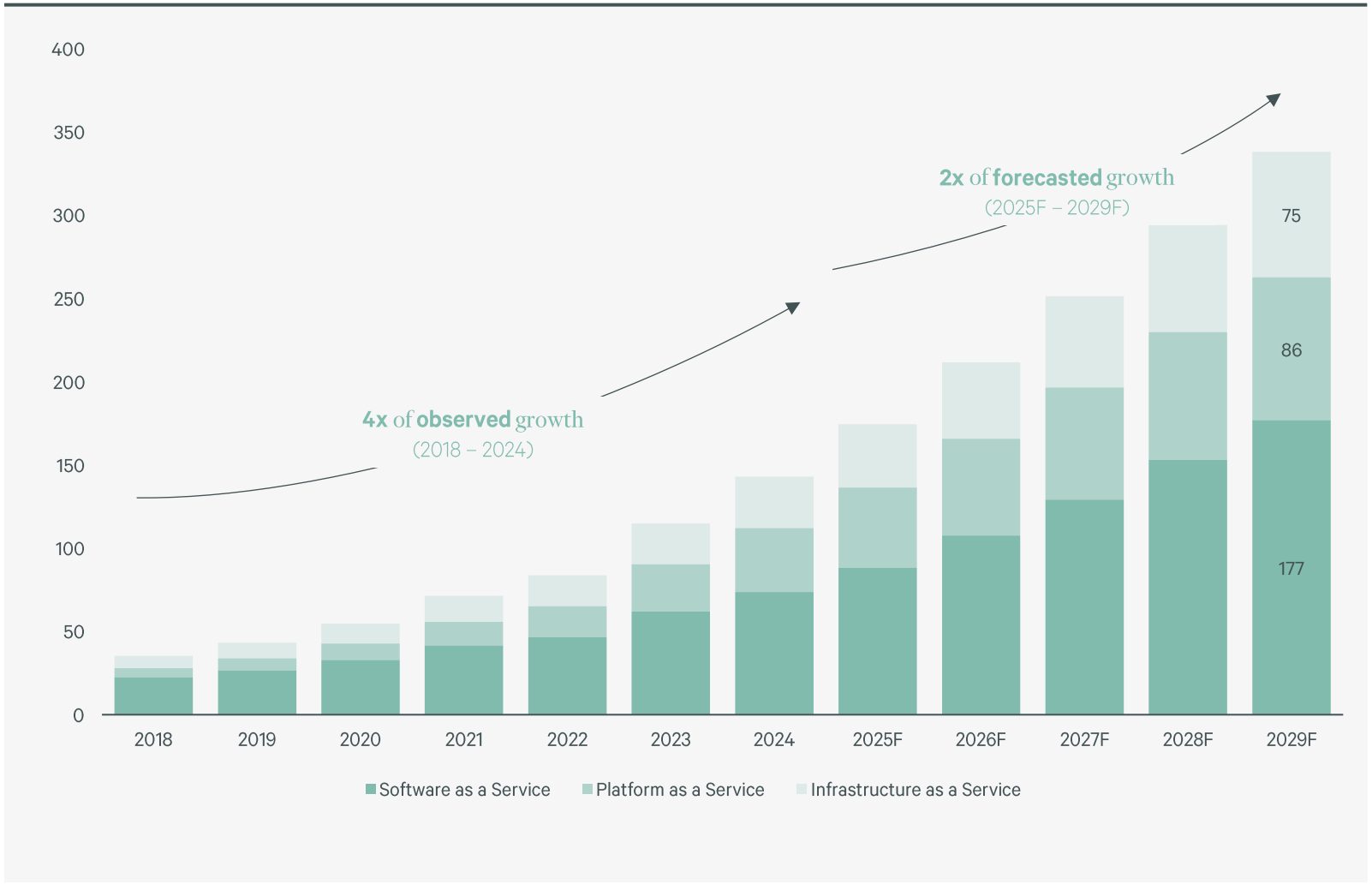
Source: CBRE.

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The transition towards digital first economies is driving sustained growth in cloud computing and therefore reinforcing its role at the core of digital infrastructure

Growth is being driven by the expansion of Software as a Service, Platform as a Service and Infrastructure as a Service which together confirm the structural move towards cloud-based computing.

Cloud computing market size in Europe by segment
In billion euros (€ Bn)

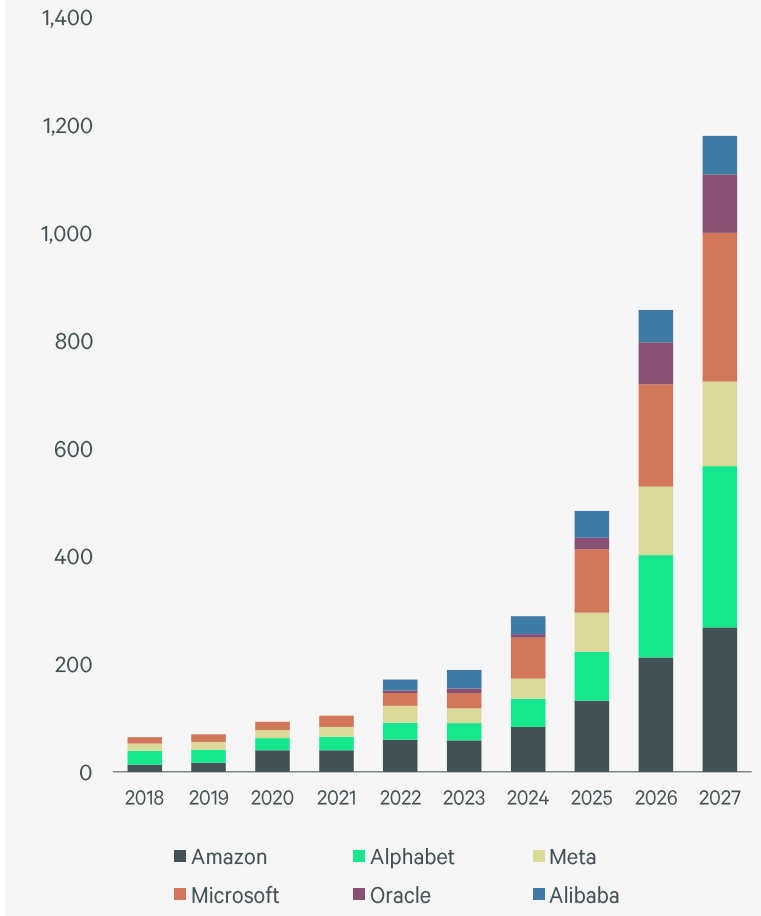


Source: Statista, CBRE Research Q3 2026.

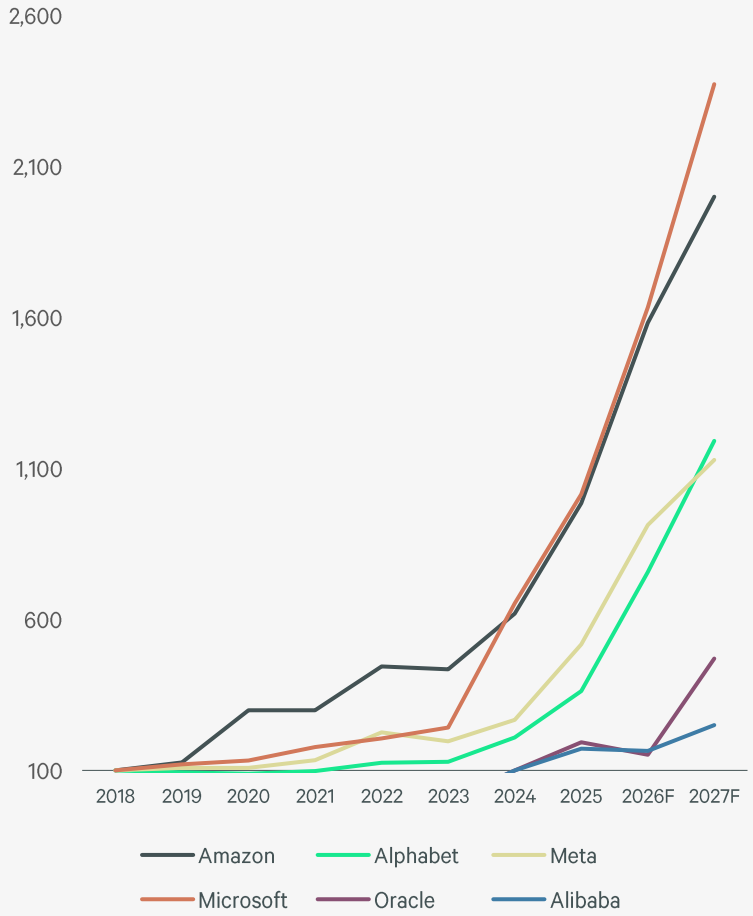
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Hyperscaler CapEx has entered a new growth phase, exceeding €1.2 Tn in 2027 alone. This is a clear signal of a competitive race to secure the compute capacity that will define the next decade

Hyperscaler data center capital expenditures
In billion euros (€ Bn)



Hyperscaler data center capital expenditures speed
Base 100 = 2018



Source: Morgan Stanley Research estimates, Companies' Information, CBRE Research Q3 2026.

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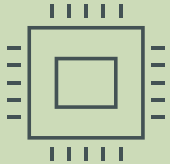
Furthermore, AI is entering a phase with more autonomous and compute-intensive systems that are increasing infrastructure needs ...

Traditional AI vs. Agentic AI

Traditional AI

Requires prompts from humans and/or explicitly programmed rules.

- Pattern recognition
- Prediction
- Classification within structured datasets



Agentic AI

Takes action to achieve a defined outcome, often without direct human input.

- Perceiving environment
- Reasoning
- Executing actions
- Learning from outcomes

Source: Logicgate, CBRE.

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... with training and inference workloads redefining how data centers are designed, used and located

CLOUD PLATFORMS
Data Management



Google Cloud · salesforce · aws · ORACLE · IBM · Microsoft Azure · HUAWEI CLOUD · Alibaba Cloud

TRAINING
LLM Models & Processing

ChatGPT · Gemini · Copilot · LLaMA by Meta · Claude · perplexity · xAI · groq · deepseek

INFERENCE
Processing and Real time services

AI Agents	Agentic Systems	Agentic Ecosystems
- Long-Term Memory Integration - Dynamic Prompt Chaining - Memory & Stats Management	- Shared Memory Pools - Multi-Agent RAG - Negotiation Protocols	- Orchestration Frameworks - Error Handling & Retries - Third-Party Tool Integrations

Manufacturing · Energy · Health · Agriculture · Education · Finance · Aerospace · Automotive · Transportation · Insurance · Legal

Source: CBRE.

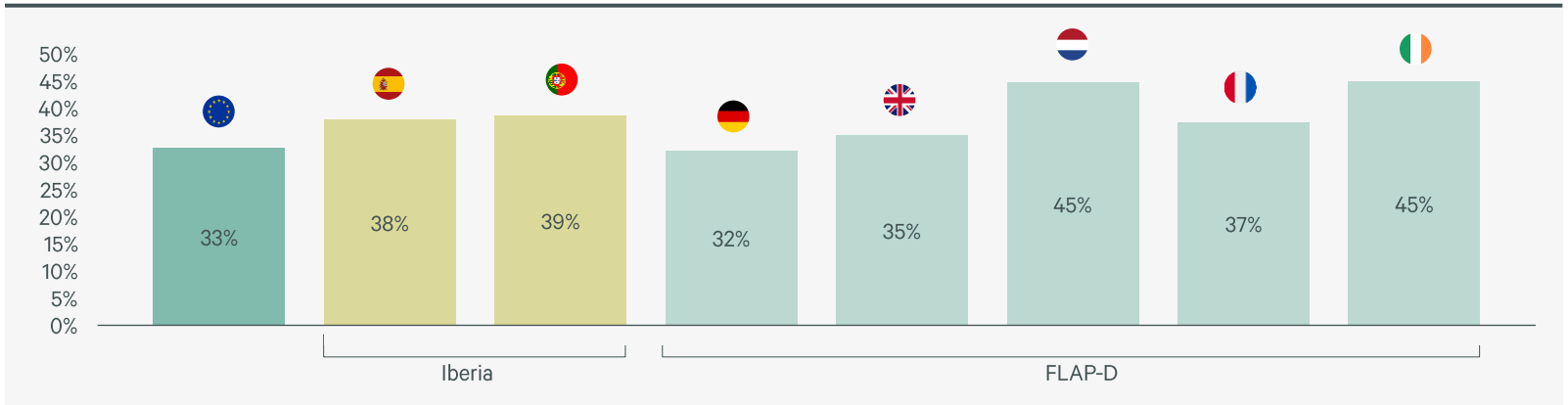
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AI adoption is gaining strong momentum, with both enterprises and individuals...

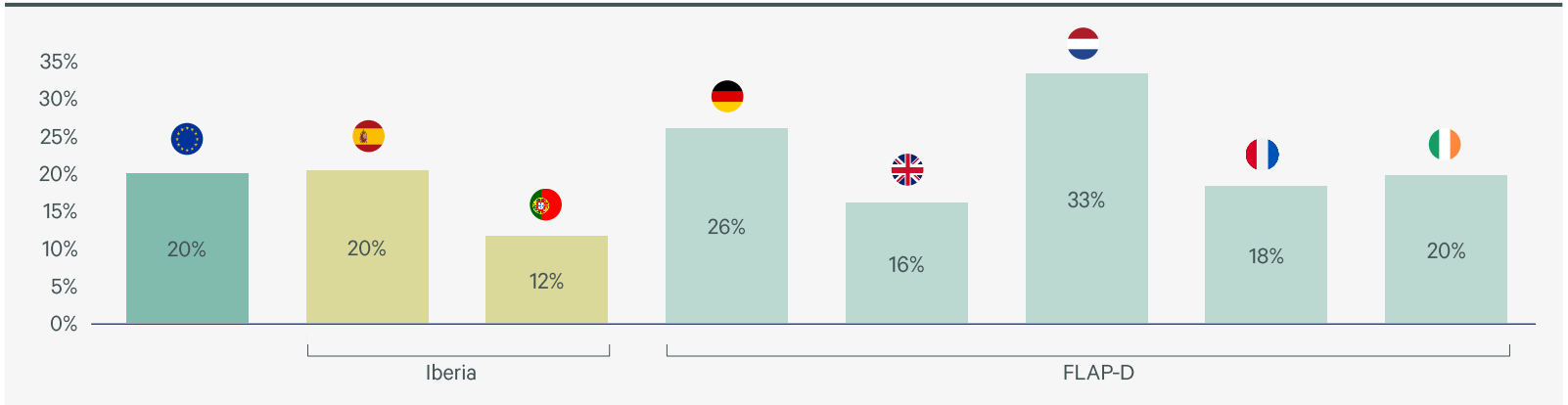
On average, 33% of European individuals and 20% of European enterprises have already adopted AI tools.

Iberia is ahead on individual adoption at on average 39%, while enterprise adoption is still developing and offers further upside.

Use of generative AI tools by individuals in 2025
percentage of population (%)



Use of generative AI tools by enterprises in 2025
percentage of enterprises (%)



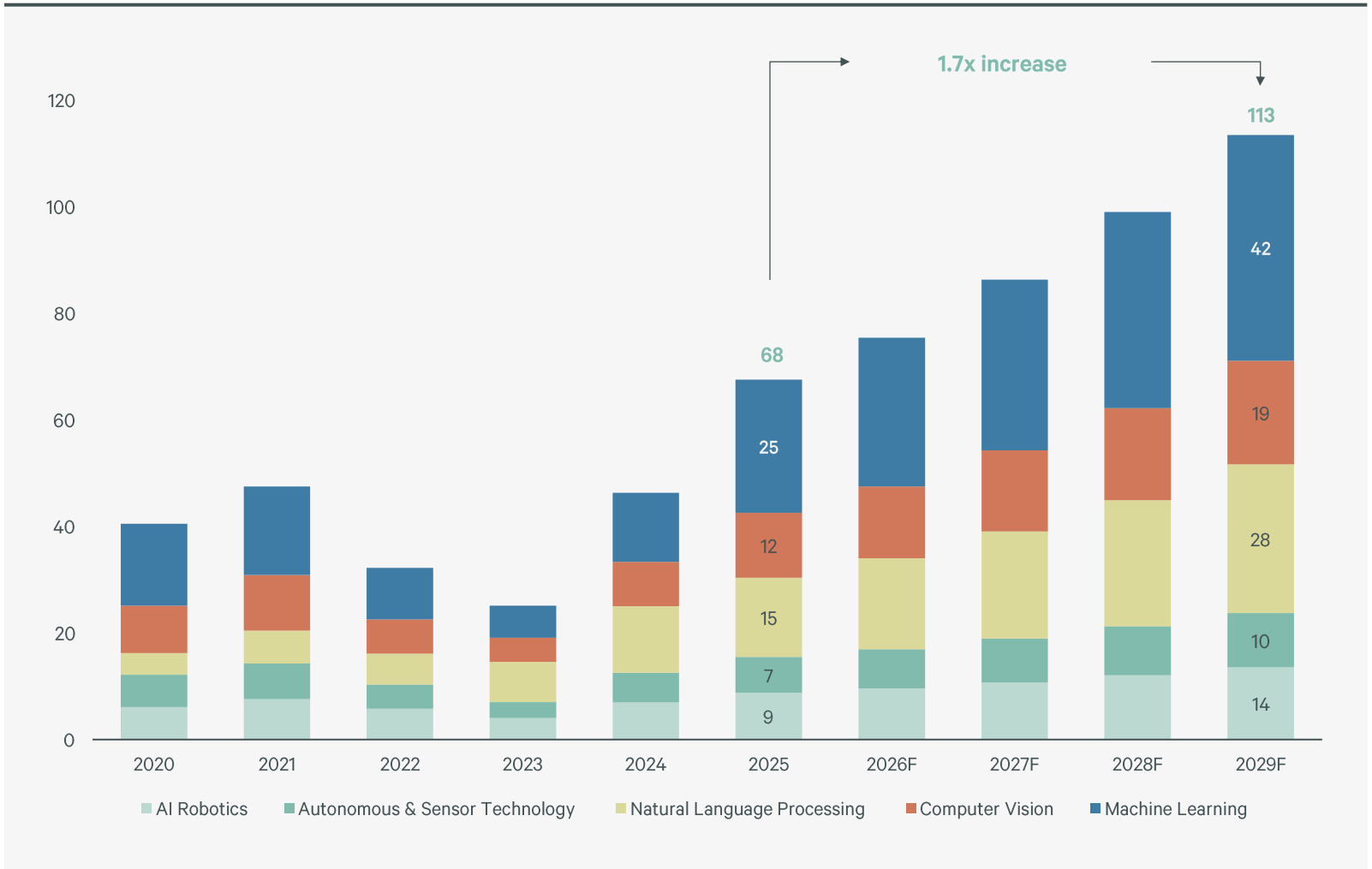
Source: Statista, CBRE Research Q3 2026.

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… driving a rapid and sustained expansion of the AI market for the next decade

The European AI market is expected to grow from around €68bn in 2025 to over €113bn by 2029, with machine learning and natural language processing accounting for the majority of the increase.

AI Market Size in Europe by segment
In billion euros (€ Bn)



Source: Statista, CBRE Research Q3 2026

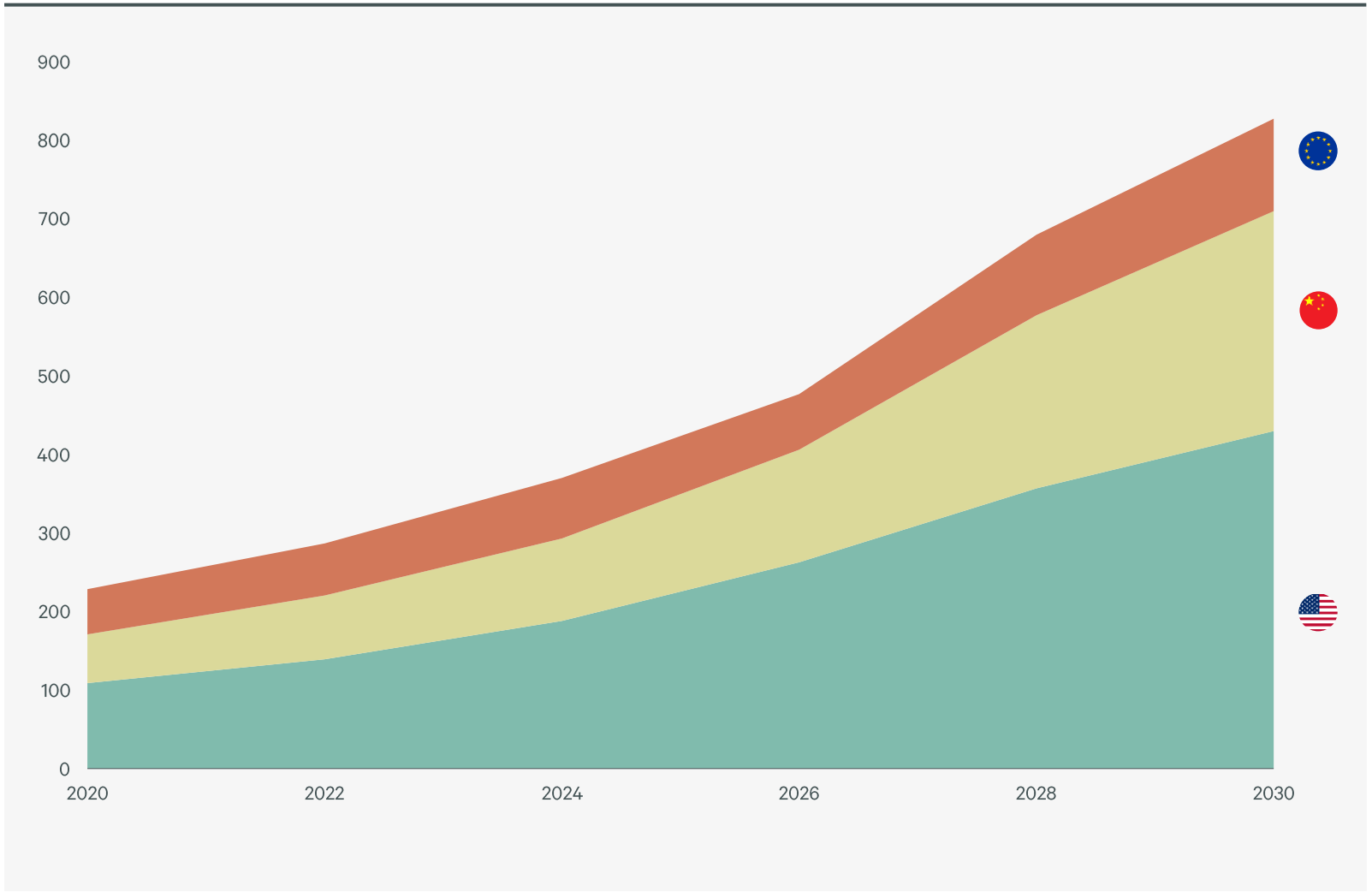
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AI workloads and high-performance computing are significantly increasing electricity demand ...

Data center electricity consumption is expected to grow by around 15% per year between 2024 and 2030 meaning four times faster than the wider economy.

Data centers will still represent only around 3% of global electricity demand by 2030.

Data center electricity consumption by region
In tera-watts per hour (TWh)



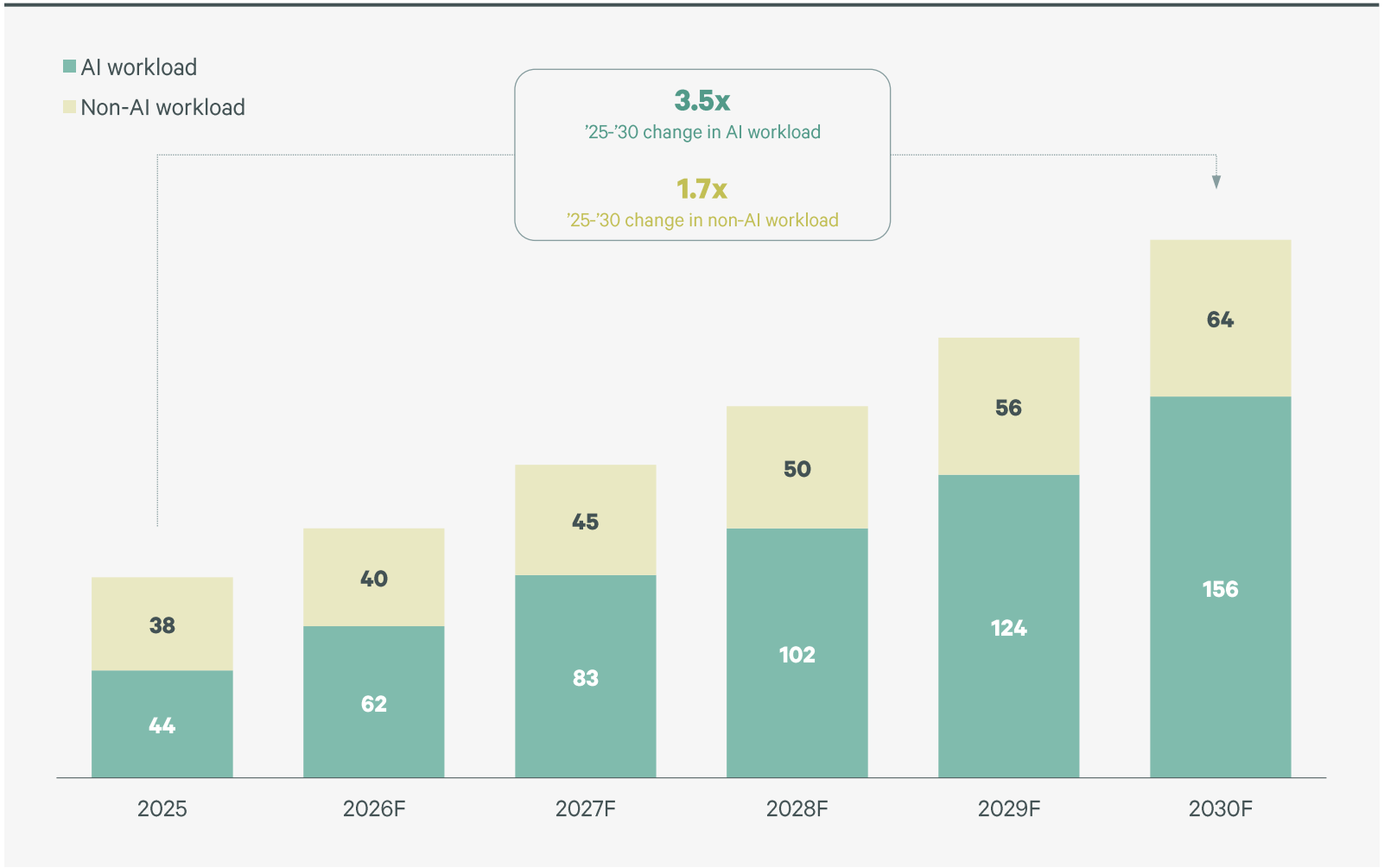
Source: IEA, CBRE Research Q3 2026

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… with a direct impact on the demand for data center capacity globally

According to the latest research, data center demand will grow from 82 GW today up to 220 GW in 5 years, largely driven by AI workloads.

Estimated Global Data Center Capacity Demand
In Gigawatts (GW)

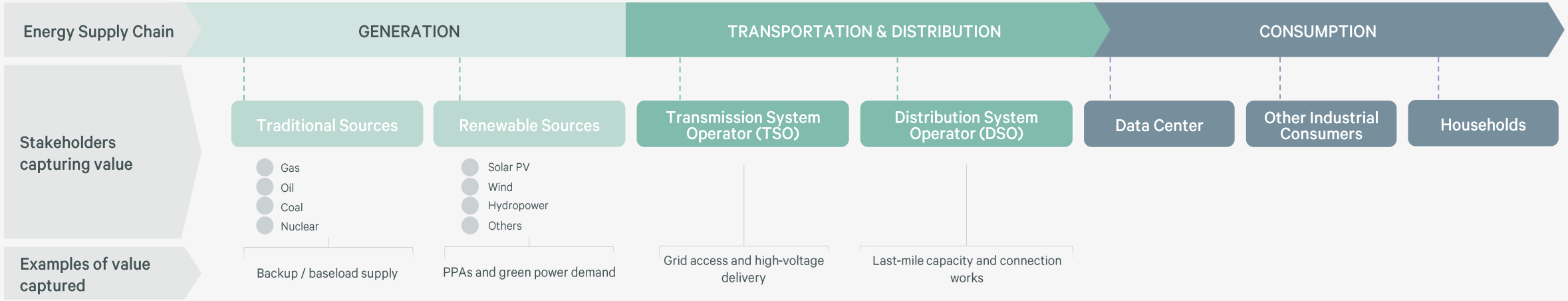


Source: McKinsey Data Center Demand Model; Gartner reports; IDC reports; Nvidia capital markets reports.

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Large-scale power demand is putting pressure on existing grid infrastructure: transmission and distribution are now the main bottlenecks for data center development

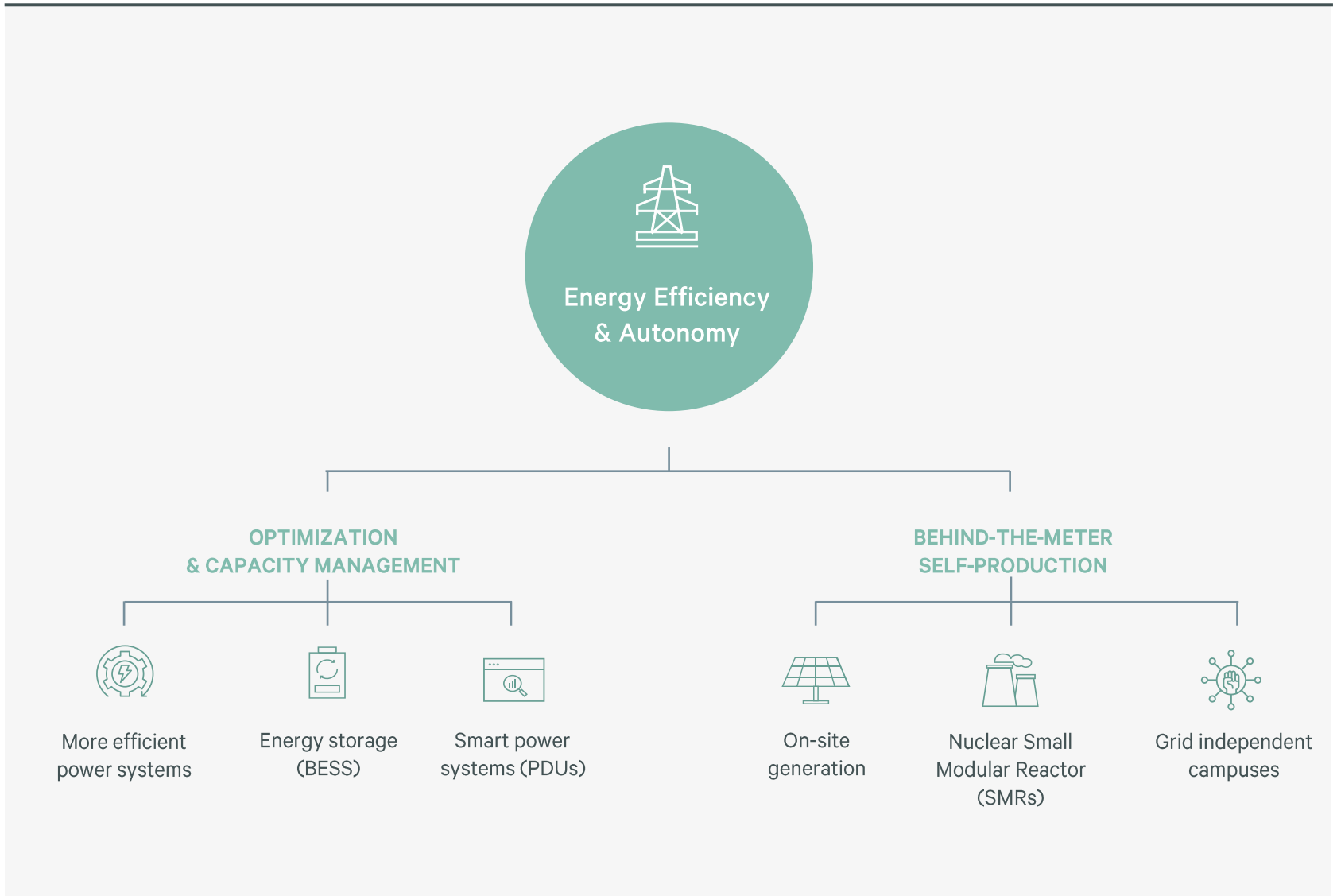
Data centers are becoming a strategic asset for grid stability and support of renewable energy system



Source: NCREIF, Nasdaq and S&P 500.

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Developers are increasingly bypassing grid constraints by securing power independently. This gives them greater control over supply, better visibility on timelines and a clearer route to market to invest at scale



Source: CBRE.

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02

The Data Center Real Estate Business



Investing in data center asset class requires a strong command of core real estate fundamentals to ensure that the value is both created and sustained efficiently

Data centers have evolved beyond traditional real estate into a hybrid asset class at the intersection of infrastructure, energy and digital demand.

The sector has moved from the provision of physical space to an energy-driven infrastructure asset. The value of a data center is determined by the ability to successfully secure and deliver power at scale for compute performance.

Under an infrastructure-led model, data center development becomes increasingly complex, requiring strategic decision-making at every stage of the journey, starting with securing power as the critical first step.

4 key pillars underpin a successful investment strategy:

01

Asset

what you own and its technical characteristics

02

Financing

how to structure bankable projects

03

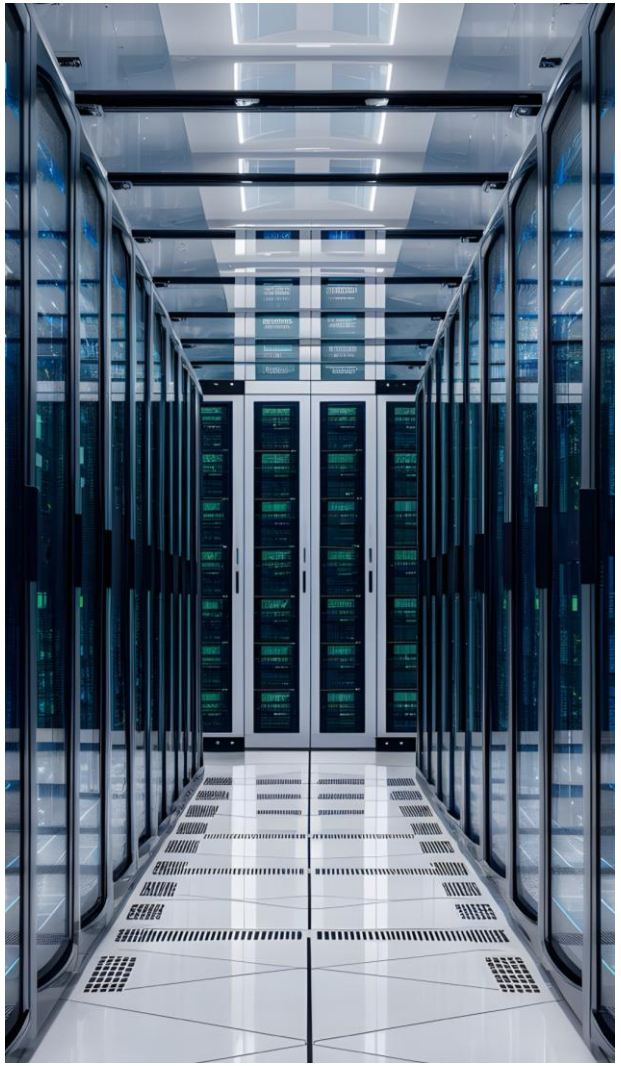
Tenant

who generates the revenue

04

Risk

how execution and operations are managed



Source: CBRE.

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With power access still shaping development, investor conviction in data centers remains strong with capital increasingly targeting development-led and retrofitting strategies to secure higher returns



Investors are bidding above market levels

40%

of investors with Data Center exposure are willing to bid above current pricing levels, with almost no respondents expecting discounts.

Data Centers remain a high-conviction sector

51%

expected net increase in allocations for 2026, the second-highest of any sector, with the lowest share of investors planning to reduce exposure.

Development-led opportunities are gaining relevance

73%

of European investors are pursuing development and/or retrofitting opportunities.

Source: CBRE Research by European Investor Intentions Survey 2026.

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Investing in the data center real estate business

There are 3 common ways to enter the data center sector:

1. Direct investment
2. Platform investment
3. Development

Platform and corporate strategies are accelerating deployment while spreading risk across the value chain. Most institutional investors have now secured operating platforms or strategic partners to access the sector. As demand for data center investment remains strong, joint ventures and structured partnerships have become the preferred route to combine capital, expertise, and access to power while optimizing risk-adjusted returns.
Recent transactions in Iberia underscore this trend highlighting the industry's shift towards collaborative platform-driven growth. Transaction activity over the last 18 months clearly reflects this shift, with energy companies, infrastructure investors, data center operators and industrial players increasingly partnering to scale faster and compete more effectively.

We are in a **fundamentally development-led market, with investors increasingly moving up the risk curve** to capture stronger risk-adjusted returns. These strategies are enabling them to scale portfolios more quickly and bring new capacity online at pace. In Iberia, investors are actively targeting seed assets and where they already have exposure, quickly progressing into speculative development such as Connected Land or Powered Shells. In many cases, projects are moving into construction without firm tenant commitments, reflecting both confidence in demand and the need to accelerate delivery.

On another aspect, **technology risk is becoming a defining factor in corporate strategy.** A clear shift is underway in how global corporates approach infrastructure with many moving toward cloud solutions to gain flexibility, scalability and reduce direct exposure to rapid technological change. This transition is particularly visible in sectors such as banking and insurance where cloud adoption is accelerating as a way to manage long-term obsolescence risk. While AI is not yet the primary driver of demand, it is already shaping infrastructure decisions and influencing how companies position themselves for the future.

As a consequence, transaction structures are evolving too. The conversation is increasingly moving towards sale and Service Back arrangements (vs. Sale and Leaseback) where corporates divest their assets while remaining as anchor tenants. Historically, the focus was primarily on asset value. Today, there is a clear shift toward transferring technology and obsolescence risk to the acquirer.

Type of data center investment

	Direct investment	Platform Investment	Development
	Direct investment in data center assets with long leases in place	Acquire a stake in developer and/or operator platform	Partner with developer/operator to develop new data centers
Investment profile	Stable income from operational assets with long-term leases	Exposure to both operating assets and development pipeline	Exposure to both operating assets and development pipeline
Specialized development expertise	Limited	Medium or high	High
Operational exposure	Low to medium	Medium to high	Limited
Tenant concentration	High	Low to medium	Limited
Tenant credit quality	Investment grade	Mixed	Investment grade
Obsolescence risk	Higher proportion of older, less-efficient data centers	Depends on the amount of maintenance spend and the potential for upgrade	Ability to incorporate latest power and cooling technologies
Yield as share of total return	High	Medium	Low
Return profile	Income from stable to increasing rents	Diversified income stream from operations and development	Return certainty if built-to-suit/preleased

Source: CBRE.

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Global Data Center M&A Volumes



Global data center M&A activity reflects an increasingly attractive investment landscape, characterized by strong and resilient demand across the years. While deal volumes have shown some volatility over time, the overall trend depicts a rapid recovery and continued capital deployment into the sector, with annual volumes rebounding sharply to $61bn in 2024 and reaching $69bn in 2025, surpassing previous peaks.

Scale is becoming the defining feature of data center investment. Average deal values have risen from $83M in 2019 and $163M in 2023 to nearly $600M today, as infrastructure investors deploy larger pools of capital into platforms with the capacity to support long-term growth.

The trend highlights the growing maturity of the sector and its evolution into a core infrastructure asset class, supported by durable demand and continued capital deployment from the world's largest digital infrastructure occupiers and investors.

Source: CBRE Research, S&P Global, 451 Research, press releases.

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Pool of investable assets: from a raw land to an operational data center facility



GREENFIELD

Raw land with no specific data center infrastructure

Industrial or Rural Site

- € / sqm
- Zoning status

- ✓ Urban planning development
- ✓ Commercialization by location
- ✓ Distance to substations



POWERED LAND

Industrial land with data center use permitted and electrical permits granted.

Connection Permits

Grid Reinforcement Works

- Gross power (MW Grid)
- Net power (MW IT)
- Power Usage Efficiency (PUE)

- ✓ Power capacity availability
- ✓ Grid connection works
- ✓ Expansion strategy
- ✓ Legal uncertainty



CONNECTED LAND

Land with completed grid connection and energized

Electrical Lines

On-site Substation

- € / MW / km
- € / MW IT
- Substation CapEx

- ✓ Administrative authorizations (prior, construction and operation)
- ✓ Environmental impact



POWERED SHELL

Built structure with power available, but no fit-out

Shell Construction

- € / construction sqm (*Hard* and *Soft Costs*)
- € / MW IT

- ✓ Construction permit
- ✓ High CapEx
- ✓ Construction costs volatility



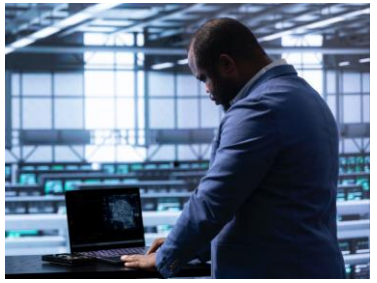
FULLY FITTED BUILT-TO-SUIT

Fully developed asset tailored to a specific tenant according to the business model

Fit-out (cooling, UPS and M&E)

- Commercialization phase
- CapEx / MW IT

- ✓ Commercial risk (tenant)
- ✓ Activity license
- ✓ Supply chain critical equipment



OPERATIONAL FACILITY

Stabilized asset with tenants in place according to the business model

Tenant Lease Contract

- Rent € / kW / month
- CapEx
- Yield

- ✓ Tenant risk profile
- ✓ Operation and maintenance management
- ✓ Maintenance capex

Source: CBRE.

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Data Center Transaction Activity

Over the past four years, the Iberian market has seen a steady increase in transactions across a diversity of asset types and development stages. This has helped establish a more credible set of benchmarks and, with it, a more nuanced approach to pricing.

Powered land remains the most sought-after investment asset. Although its definition remains loose, it offers a compelling entry point for investors looking to build early exposure to the sector on a risk-adjusted basis. The real challenge, however, sits around land valuation. Pricing can vary significantly depending on the type of product being developed, the ability to secure and scale power, the location, and the level of investor interest.
Land is no longer valued on a uniform basis. Instead, its pricing increasingly reflects its ability to translate into secured power, normalized power procurement costs and deliverable data center capacity.
Although prime areas have registered strategic transactions in around the €2,000k per MW IT mark, the core powered land prices with grid connection in Iberia evolves between €750k - €1,250k per MW IT (vs. €2,200k – €2,600k in other relevant FLAP markets).

Another relevant question for investors is the value of a stabilized megawatt. Data centers are based on an operating business (vs. pure real estate play) where value is driven by execution and delivery. Based on recent market evidence, values typically range from €11M/MW IT for powered shell up until <€21M/MW IT for hyperscale leased turnkey assets. The spread reflects tenant quality, contract structure and income visibility and ultimately comes down to the operator's ability to lease and execute.

Data Center Transaction Price Evolution

Ratio per megawatt IT (MW IT)

	Iberia	Frankfurt	London	Amsterdam	Paris
Average Powered Land Value	€0.75 – €1.25 Mn / MW IT	€2.5 – €3.0 Mn / MW IT	£2.3 - £2.8 Mn / MW IT	€.2.0 - €2.3 Mn / MW IT	€2.0 – €2.3 Mn / MW IT

Iberian Data Center Market Yield

Product	Yield Range	Trend
Stabilized hyperscaler	5.50% - 6.25%	Compressing
Stabilized colocation wholesale	6.25% - 7.00%	Stable
Stabilized colocation retail	7.00% - 8.00%	Stable
Development	7.50% - 8.50%	Compressing

Data Center EBITDA Valuation

Segment	EV / EBITDA Range
Prime hyperscale platforms	25x - 30x +
Listed core REITs	20x – 25x

Stronger investors confidence are driving yield compression. As the Iberian data center market matures and vacancy reaches record lows, the historical spread versus FLAP-D markets is beginning to narrow. This reflects the increasing number of assets reaching operational maturity and a growing level of investor confidence in the market.
This compression is driven by two parallel dynamics. First, a broader recognition of Iberia's structural role within the European digital infrastructure landscape. Second, a gradual shift in investor behavior with greater willingness to accept more competitive returns in exchange for exposure to a sector supported by strong, long-term demand fundamentals.

At the moment, the yield observed for stabilized Hyperscale leased assets in Iberian market stands in the 5.50% - 6.25% range compared to core FLAPD at 4.50% - 5.50%. On another side, development yield for NNN lease with a major Hyperscale has been registered at 7.50% – 8.50%.

The increased M&A activity drove the core EBITDA Multiple between 25x and 30x Premium driven by contracted hyperscaler revenue, long-term leases (10–15 years) and power-secured pipeline.

As for reference, enterprise colocation platform is also attracting attention of investors looking to explore adjacent segments with slightly lower EBITDA multiples.

Source: CBRE.

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Data Center Valuations

	Market Value (RICS)	Market Value (Banco de España)
General	▪ Basis of international valuation standards (IVS / RICS) ▪ Represents the realizable value of an asset at a specific valuation date ▪ Reflects investor expectations and prevailing market conditions ▪ Influenced by economic cycles, market liquidity, and risk appetite ▪ Requires a robust understanding of real-time market dynamics. ▪ Assumes a transaction between knowledgeable and willing parties acting freely ▪ May incorporate specific market assumptions and valuation hypotheses	▪ Regulated valuation concept defined under ECO Order 805/2003. ▪ For mortgage collateral purposes, equivalent to the Mortgage Lending Value. ▪ Adopts a long-term and stable valuation perspective ▪ Excludes speculative and short-term market factors. ▪ Reflects normal and sustainable market conditions. ▪ Based on a prudent and conservative valuation approach. ▪ Supported by historical data, validated databases and documented market evidence. ▪ Designed to protect the interests of lenders and insurers.
	✓ **Exclude Special Value and Forced Sale scenarios** ✓ **Consider Alternative Use potential**	
ILAES(1)	▪ Cash Flow aligned with the asset's operating profile ▪ Perpetual Cash Flow projection ▪ Market Value outcome	▪ Cash Flow aligned with the asset's operations, subject to a 10% haircut where no comparables are available. ▪ 35-year Cash Flow projection plus Reversion Value. ▪ Defined as the lower of Operating Value and Replacement Cost.

Valuation is becoming more disciplined with investors now clearly differentiating assets across the lifecycle. The market has moved away from treating data centers as a single asset class which previously led to pricing dispersion and misconceptions around value.

As the sector matures, pricing is increasingly aligned with underlying risk drivers such as power availability, execution timelines and leasing exposure. This is driving more consistent underwriting and tighter pricing across transactions.
Data center assets continue to command a premium over traditional real estate reflecting both their strong growth profile and operational complexity.

Valuation frameworks such as RICS and ECO are progressively aligning with market reality with less dispersion across comparable transactions and greater analytical rigor. It should be noted, however, that traditional RICS Red Book valuations do not capture the value of compute or GPUs.

In practice, valuation methodologies vary depending on the stage of the asset. Land is typically assessed through a dynamic residual approach, assets under development are valued based on invested capital and operational assets are priced using direct capitalization or discounted cash flow. Across all stages, comparable evidence remains the key anchor to ensure valuations reflect market reality.

(1): ILAES (Ingresos Liquidos Anuales Equivalentes Sostenibles): acronym in Spanish for Sustainable Equivalent Annual Net Income, which is an income-based valuation approach focused on the asset's sustainable long-term earning capacity.
Source: CBRE.

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Investors have access to a broad range of financing structures with the optimal approach determined by the project's stage and risk profile

	EARLY-STAGE FINANCING	DEVELOPMENT FINANCING		INVESTMENT FINANCING
	Speculative	Speculative	Pre-leased	Leased
ASSET				
KEY FEATURE	Early-stage positioning No near-visibility on timing or execution	Execution risk No pre-commitments	Anchored by tenant Reduced leasing risk	Stable and visible cash flows Institutional-grade asset
LENDERS	▪ Developers ▪ Private equity ▪ Opportunistic capital	▪ Private credit ▪ Selective banks ▪ Debt funds	▪ Commercial banks ▪ Infrastructure debt ▪ Private credit	▪ Commercial banks ▪ Investment banks ▪ Insurance companies
RISK	Highest	High	Moderate	Low
CHARACTERISTICS	✓ Speculative capital with limited permitting or power certainty. ✓ Typically funded by developers, private equity or opportunistic capital. ✓ Limited participation from traditional lenders.	✓ No anchor tenant ✓ Higher risk, limited lender appetite	✓ Supported by tenant commitments (hyperscalers or neoclouds) ✓ Easier access to financing	✓ Operational data centers with long-term leases. ✓ Strong and stable cash flows.

Source: CBRE.

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Lenders assess data center projects primarily through four risk drivers: power certainty, tenant quality, asset resilience and recoverability



POWER

Power availability is the core prerequisite for financing

- Secured grid connection and delivery times
- Redundancy standards (Dual-feed, N+1, 2N)
- Long-term PPAs improve cost visibility



ASSET

Infrastructure must support evolving compute requirements

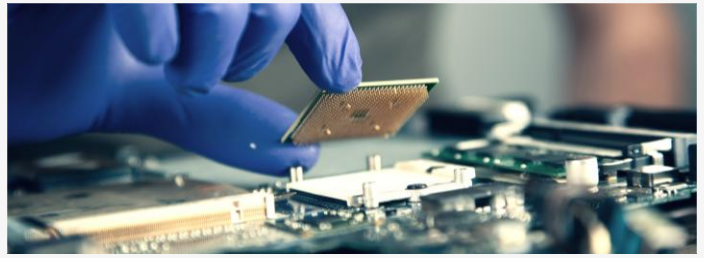
- Power and cooling capabilities (AI readiness)
- Age of equipment and upgrade requirements
- CapEx for future retrofits



TENANT

Cash flow stability depends on tenant strength and relevance

- Lease duration and renewal visibility
- Tenant category (colocation vs hyperscale risk)
- Strategic importance of the asset for the tenant



RECOVERY

Limited alternative use increases downside risk

- Highly specialized infrastructure
- Limited repurposing potential
- Replacement tenant feasibility

Source: CBRE.

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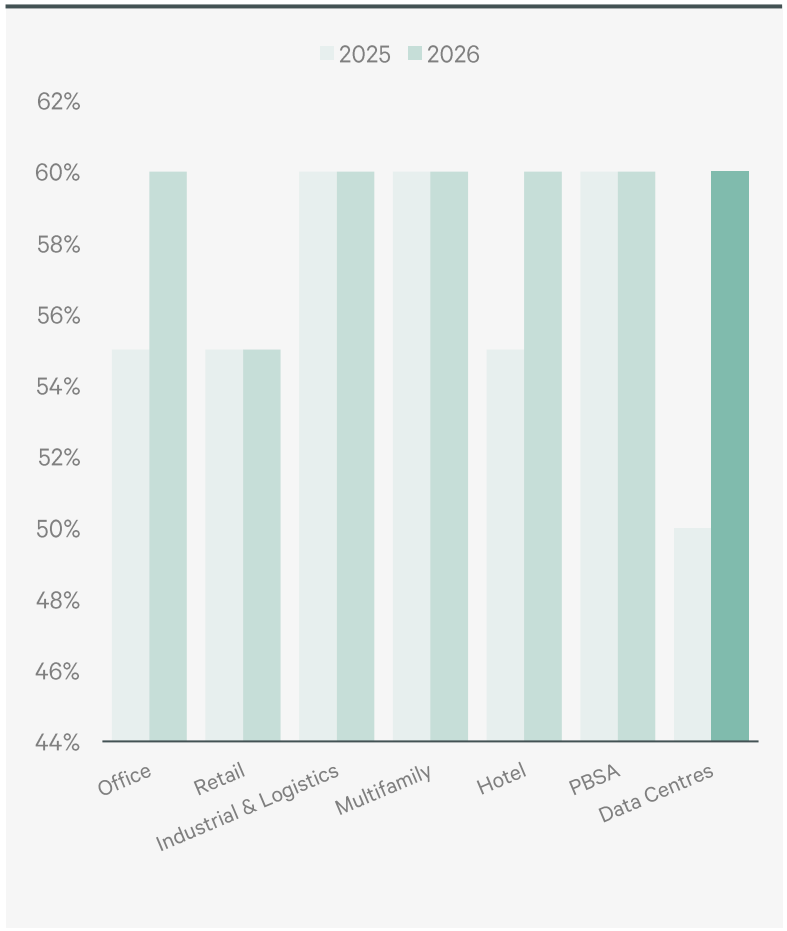
Data Center Financing Landscape

Debt financing is expanding but remains highly selective.
Lender appetite for data centers has grown significantly with the sector now treated as a core part of both real estate and infrastructure debt allocations. According to the CBRE 2026 European Lender Intentions Survey, 72% of lenders plan to increase origination activity in 2026, with data centers ranked among the most preferred sectors for new lending.
Our data confirms a clear improvement in lending conditions: median LTV has increased to 60%, up from 50% a year earlier, reflecting growing lender familiarity and underwriting confidence. The median margin is at 225 bps although margins have tightened by 25–50 bps in line with the broader market.

However, liquidity is not uniform across all data center projects. Financing remains concentrated on de-risked assets with long-term leases, creditworthy tenants and secured power.

Financing structures are becoming more sophisticated
Traditional bank lending remains dominant for stabilized assets but project finance and SPV based structures are gaining ground for development strategies; it enables sponsors to ring-fence risk and optimize leverage at each stage.
For stabilized portfolios, ABS is gaining traction as the structure of choice delivering more accretive leverage and tighter pricing than traditional loans. At the other end of the spectrum, private credit is gaining share by offering flexible structures and higher leverage for more complex development-led opportunities.

Median LTV 2026 vs 2025
CBRE Lender Survey



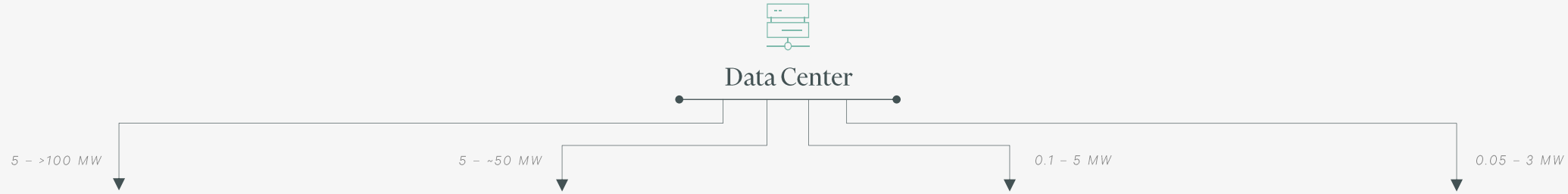
A new tenant profile is reshaping the lending conversation. The market is comfortable financing Hyperscalers supported by long-dated leases, investment-grade covenants and predictable cash flows. The real question now is how to finance the next wave of demand: Neoclouds.
Their growth is structural but their credit profile, contract horizon and exposure to technology risk make them a fundamentally different product to underwrite. Neoclouds are no longer a marginal source of demand. CBRE has brokered several significant transactions with leading specialized operators confirming a clear path to finance this tenant base. As contracts mature and platforms institutionalize, risk profiles are improving and risk-adjusted returns strengthening for early movers.
Lenders are now structuring Neocloud exposure around 4 core principles: credit quality of signed contracts, loan tenor aligned with the shorter of contract duration or GPU lifespan, residual value of the underlying asset and access to GPUs through strong supplier relationships.

Up to 70% LTV Stabilised colocation	2.00 – 2.75% bps Investment banks stabilised margin colocation
Up to 80% LTV Pre-leased development	2.50 – 3.50% bps Hyperscale Development Financing

Source: CBRE Research by Lendor Intentions Survey.

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Development is supported by a diversified tenant base monetizing compute capacity and with neoclouds expanding the demand landscape



	HYPERSCALERS	NEOCLOUDS	CORPORATES	CDN & NETWORK PLATFORMS
				
Description	Global cloud providers that require large and scalable capacity	New players focused on AI workloads and high-density computing	Enterprise users seeking secure, hybrid and resilient colocation environments.	Focus on connectivity, low latency and traffic distribution
Typical Players	ORACLE, aws, Google, Microsoft, Meta	CoreWeave, FluidStack, NEBIUS, Lambda	CaixaBank, Santander, ZARA, mapfre	Telefónica, orange, colt, LUMEN
Occupy	Long-term MW commitments	High-density halls with AI ready capacity	Colocation racks or private cages	Network rooms and edge nodes
Key needs	▪ Scalability ▪ Strong fiber backbone ▪ Speed to market	▪ High-rack density ▪ Liquid cooling readiness ▪ GPU supply chain access	▪ Data sovereignty ▪ Proximity to business hubs ▪ Interconnection with cloud providers	▪ Carrier density ▪ Low latency ▪ Proximity to users
Occupancy Model	Primarily self-built, with selective leasing	Mainly leasing	Historically self-built, but increasingly adopting leased capacity	Primarily self-built, with presence in meet-me rooms and POI(1) within data centers

(1): POI: Points of Connection.
Source: CBRE.

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Leasing dynamics

Neoclouds are deploying in Iberia and creating a dual demand model that is reshaping the market. The European data center market is now driven by two complementary demand engines competing for the same scarce resource; power.

Hyperscalers continue to anchor large-scale, long-duration demand, while Neoclouds have emerged as a second structural demand engine focused on AI-driven, GPU-intensive workloads. Hyperscalers bring scale and duration; Neoclouds bring speed, density and a willingness to pay a premium for power-secured capacity.

This combination is reshaping both the product and the geography of demand pushing activity into markets where power is available. Iberia is a direct beneficiary, with growing momentum across Madrid, Barcelona, Lisbon, Aragón and Sines.

According to our data, we can confidently say that Neoclouds have secured between 350MW and 500MW of capacity in Iberia during the last 12 months.

Rental growth +12% is supported by a broadening demand base and record low vacancy rate in core European markets. In Iberia, this dynamic is even more pronounced. Neoclouds are paying a clear uplift over Hyperscaler rents, reflecting their need for rapid access to power and their willingness to absorb shorter, more flexible lease structures. However, this rental premium also comes with higher CapEx requirements, driven by the need for higher-density designs, advanced cooling and AI-ready infrastructure.

The result is a more structural rental growth profile, anchored by a broader and more competitive demand base, with Neoclouds acting as an additional pricing catalyst on top of an already tight market.

Vacancy remains structurally constrained. Despite a growing development pipeline, vacancy remains structurally low across the market. A significant share of new capacity is pre-leased or built-to-suit, leaving very limited stock available for immediate occupation. Our data confirms that vacancy rates across all FLAP-D markets are at historical lows and continue to compress with new supply rapidly absorbed upon delivery. We expect European vacancy to fall to 6.5% by year-end 2026.

At the same time, demand continues to concentrate on a limited number of markets and assets able to deliver power, scale and connectivity.

The result is a persistent gap between demand and deliverable supply even in a high-growth development cycle. Vacancy has become a structural reflection of the power constraint shaping the European data center market.

Data Center tenant typology and key considerations

	Hyperscale	Neocloud	Colocation Wholesale	Colocation Retail
Profile	Large tech companies, cloud providers and AI players	AI, GPU-as-a-Service	Cloud providers / big companies	Mid-sized companies, ISPs, SaaS providers
Leased Space	Campus, full buildings or dedicated data halls	Campus, full buildings or dedicated data hall	Dedicated data halls or large cages	Small cages or individual racks
Leased capacity	>100 MW	5 – 50 MW	5 – 20 MW	<2 MW
Typical contract	Long term lease / Build-to-Suit	Long-term lease	Lease per power / space	Flexible contracts, rack and services
Typical duration	10–20 years (+ extensions)	5-10 years	5-7 years	3-5 years
Rent structure	€/kW/month + energy	€/kW/month + energy	€/kW/month + energy	€/rack or €/kW/month
Rent Level (€/kW/month)	€105 - €110	€125 - €135	€110 - €125	> €165
SLA Risk	High	High	High	Average
Landlord risk	Low (Prime)	Medium	Medium	High (significant)
Yield profile	**~ Core**	**Medium-to-high**	**Medium**	**High**

Source: CBRE.

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Construction costs

Data center construction costs are set to climb modestly through 2026. However, there is a growing gap in the market between the two main classes of data center.

While construction costs for traditional cloud data centers have broadly stabilized, it is a different story for data centers designed to support AI workloads, where the cost variables are wide and extensive global benchmark data is not yet available.

The data center construction cost index for 2025 shows a 5.5% increase in the cost per watt of building a traditional cloud-based, air-cooled data center. This is markedly lower than the 9.0% year-on-year increase we reported in our 2024 report.

A large factor in this is the broader cooling in construction market cost inflation, as reflected in our Global construction market intelligence report for 2025 which showed an average rate of 4.2% inflation across the whole construction sector.

The data center market specifically, given how nascent much of the industry and supply chain still is in certain regions, also tends to benefit from lessening cost pressures over time as local supply chains become more established.

The AI premium

On top of the core costs for traditional data center construction shown in our index, which allows for the most accurate comparison between global regions, our latest analysis for projects within the US indicates there is a premium typically attached to higher-density, liquid-cooled data centers designed to support AI workloads. Using our global Hive platform, our analysis of similarly sized (by IT capacity) liquid-cooled data centers in the US, indicates that average construction costs are seven to ten percent higher than the equivalent air-cooled data center.

These larger, more technically complex data centers are starting to gain ground in markets such as the US, UK, Europe and East Asia. These assets are more complicated builds, containing more costly technical and cooling systems required for their higher workloads.

Density

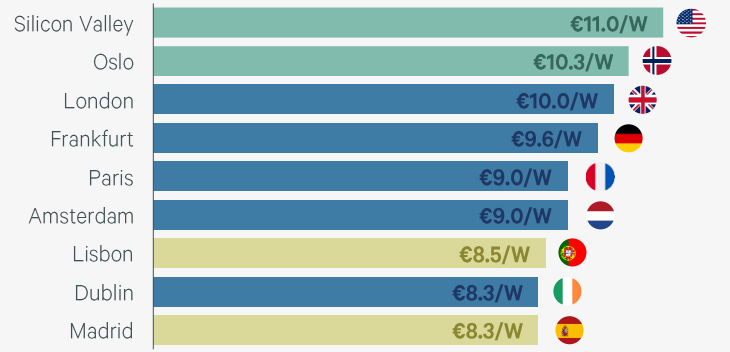
However, the higher costs of these systems are sometimes tempered by the different client requirements for these data centers, particularly power density. Some aspects of AI data centers are also simpler than cloud systems, where robust power resilience – via backup power sources and distribution – and other technical measures are needed to ensure uninterrupted service. In managing the risk of downtime within cloud data centers, these redundancy requirements add cost that AI data centers may be able to minimize depending on their own specific reliability requirements.

AI data centers can, exceptionally, afford to be more flexible, which can lower the cost of these designs. Increased power density often facilitates reductions in the building footprint required to deploy the same (or higher) IT loads. In addition, the larger 'mega campuses', which are specifically designed to deploy AI training models within multiple connected buildings, bring economies of scale when compared to single data centers (either on smaller campuses or part of an incrementally phased build-out) where those efficiencies are less likely to be achieved.

Average allocation of data center's CapEx
in percentage of total CapEx (%)

	Air-cooled	Liquid-cooled
GC/GRs and GC fees	10%	10%
Core / shell architectural	14%	9%
Mechanical (incl. equipment)	22%	33%
Electrical (incl. equipment)	54%	48%
Total	**100%**	**100%**

Data Center Average Construction Costs
by euro per watt (€/W)



Source: Turner & Townsend, CBRE.

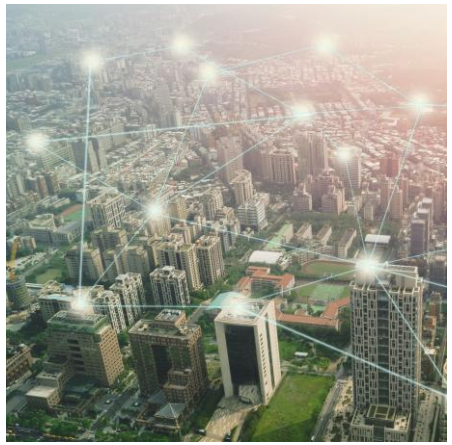
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03
Iberian Market Overview

Iberia Market Snapshot

General Trends



01

Iberia Emerging as a Global Connectivity Hub

The Iberian Peninsula has established itself as a strategic connectivity hub, supported by extensive subsea cable infrastructure and strong integration into global data routes.



02

Iberia's Renewable Advantage as a Competitive Edge

Iberia benefits from a high share of renewable energy generation, providing a structural cost and sustainability advantage over core European markets.



03

New Markets Are Redefining the Capacity Map

Emerging hubs such as Aragón (Zaragoza), Bilbao, Extremadura and Sines are reshaping the Iberian data center landscape, driven by access to large-scale power capacity and hyperscale-led investment.



04

Rise of Neoclouds as an Emerging Demand Driver

Neoclouds are entering the Iberian market early and are expected to scale rapidly, adding a new layer of demand beyond traditional hyperscalers.



05

Repurposing Legacy Assets to Access Power

Sale and Service Back transactions of legacy assets are increasing, offering one of the few routes to secure immediate power capacity in a constrained market.

Source: CBRE.

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Total Capacity Identified for Data Centers in Iberia

As part of our research, CBRE has mapped the Iberian data center landscape to identify and classify the most relevant projects. The aim of this classification is twofold:
i) to provide a clear view of the market structure and
ii) to establish a consistent framework for analyzing different types of data center developments.

Projects are classified into three core segments, reflecting distinct business models and investment dynamics:

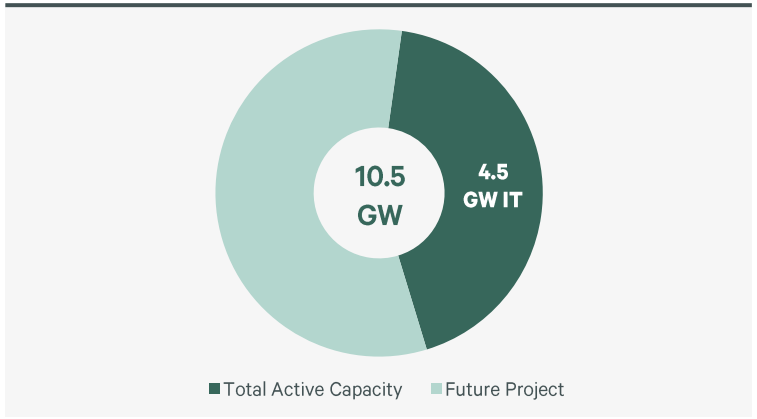
1. **Colocation:** Commercial data center segment, offering the highest transparency and clear market benchmarks through pricing, occupancy, and take-up trends.
2. **Hyperscale:** Owner-occupied developments by Hyperscalers driven by cloud and AI demand with limited market visibility due to their captive nature
3. **Gigafactories** *(or AI Factories)*: Large-scale, power-intensive developments supporting next-generation compute infrastructure and reflecting the growing role of AI-driven workloads

According to our research, total power capacity announced for data center projects in Iberia reaches 10.5 GW. However, only 43% of this capacity can be classified as "active", meaning it is linked to identifiable projects backed by institutional capital. The remaining capacity called "Future Projects" corresponds to early-stage announcements where projects viability remains uncertain and, given the limited visibility on delivery, they are typically excluded from our core dataset.

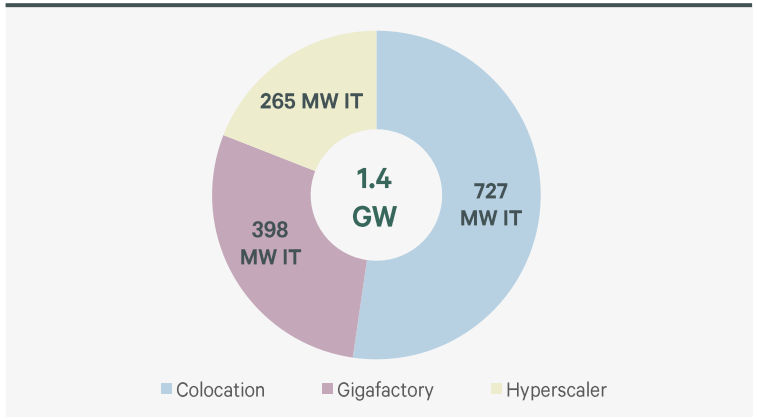
As of today, active capacity stands at 1.4 GW IT with a clear dominance of Colocation developments (727 MW IT) followed by Hyperscale self-builds (265 MW IT) and Gigafactory deployments (398 MW IT). Looking ahead, our analysis identifies approximately 3.1 GW IT in pipeline under development which would bring the total operational market size in Iberia close to 4.5 GW IT over the medium term.

That said, the outlook remains constrained by execution risk. 57% of announced capacity is associated with projects where delivery remains uncertain, while around 69% of the future market remains in pipeline. This highlights a structurally unbalanced market where ambition significantly exceeds near-term deliverability; primarily reflecting ongoing challenges around power access, permitting and project maturation.

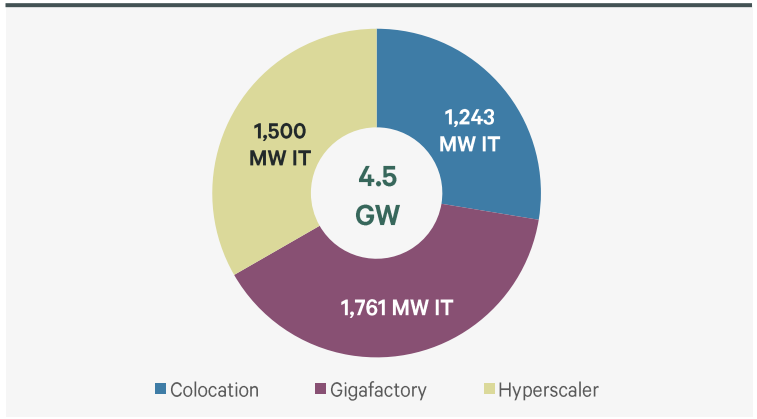
Total Identified Data Center Capacity



Current Data Center Capacity (Installed & Under Construction)



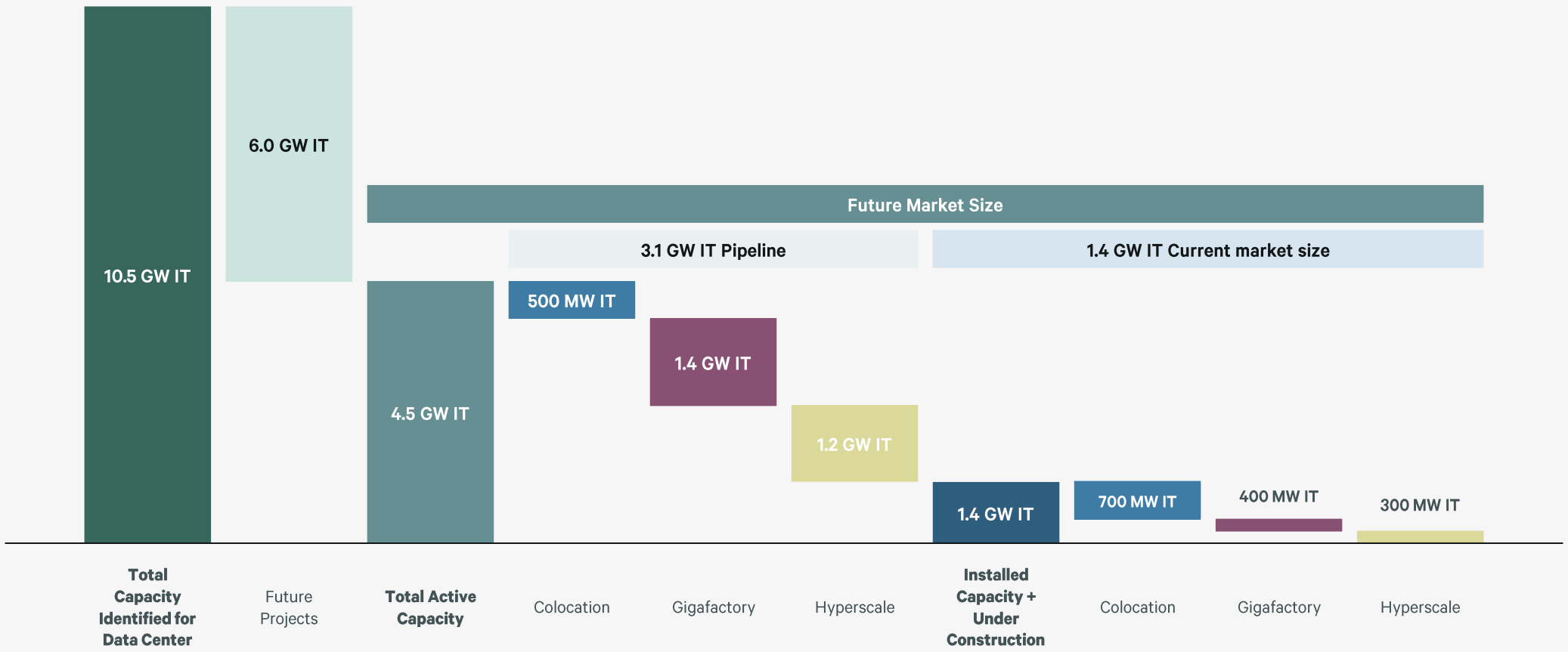
Potential Future Data Center Capacity (inc. Pipeline)



Source: CBRE Research, as of June 2026.

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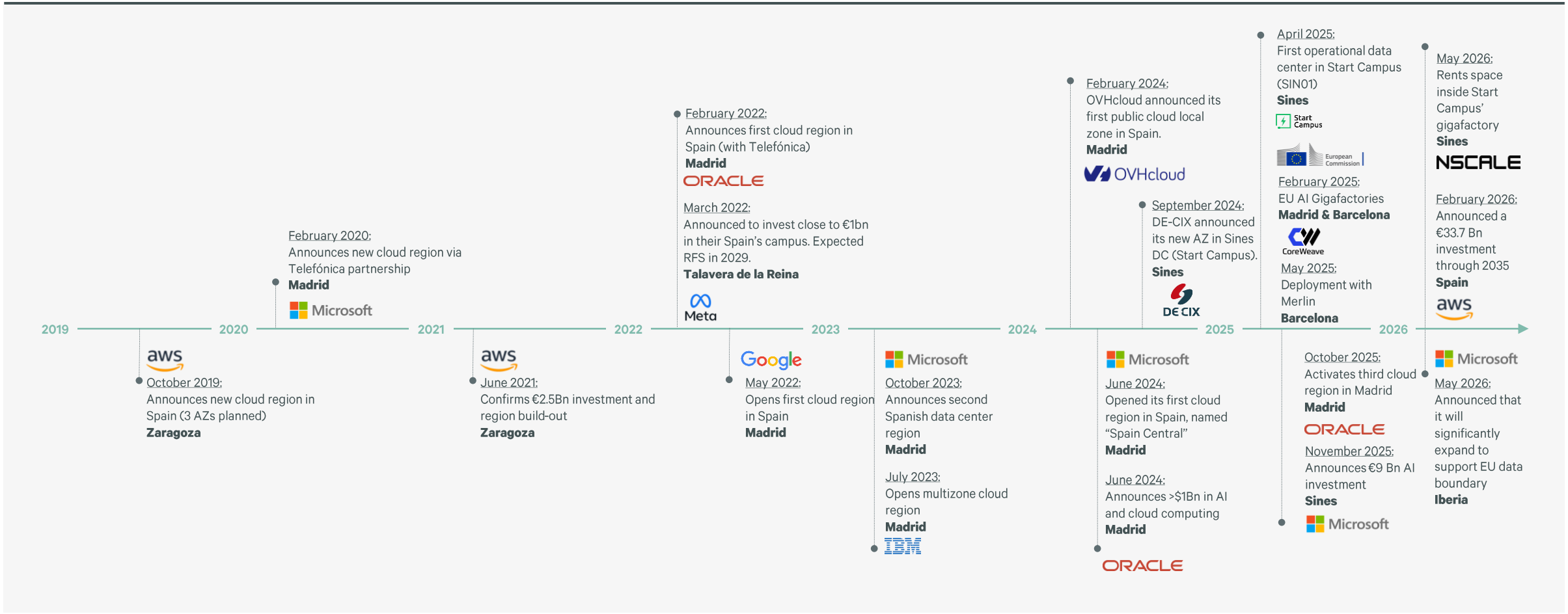
Total capacity identified for Data Center in Iberia - Waterfall



Note: Values are rounded to the nearest whole number, with one decimal place presented where appropriate.
Source: CBRE Research, as of June 2026.

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In Iberia, data center demand is anchored by hyperscale cloud region deployments, driving growth and reinforcing its strategic position in the global digital ecosystem



Source: CBRE Research, as of June 2026.

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Iberian Data Center market per locations

Power has become the defining factor shaping the Iberian data center landscape. It is now the primary determinant of value creation and a key factor influencing where and how capital is allocated. As a result, capacity growth across Iberia increasingly reflects a shift towards energy-led investment strategies, supported by **strong demand from hyperscalers and emerging neocloud providers**

Over the past five years, the Iberian market has not only expanded in scale but also diversified in asset types, evolving beyond traditional colocation into hyperscaler self-build developments and large-scale AI-driven gigafactories. This transformation has been enabled by access to substantial power resources and accelerating AI-driven demand, extending investment activity beyond established hubs such as Madrid, Barcelona and Lisbon towards emerging locations including Aragón (Zaragoza), Bilbao, Extremadura and Sines.

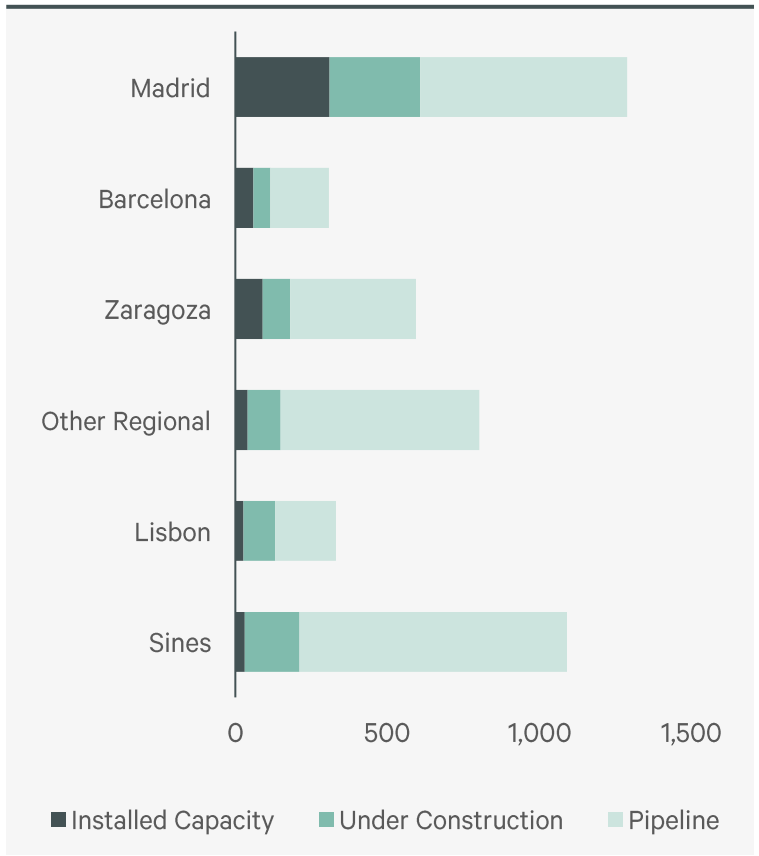
To provide a consistent view of the market, our research classifies capacity under 3 categories:

1. **Installed Capacity** – Operational capacity currently available to lease.
2. **Under Construction** – Capacity actively being developed with a defined delivery timeline.
3. **Pipeline** – Planned capacity with a credible path to future delivery.

Looking ahead, Madrid is expected to remain Iberia's leading hub with 1.3 GW IT (29%), followed by Sines with 1.1 GW IT (24–25%) and Aragón with 600 MW IT (16%), highlighting a more distributed market structure.

Development momentum is significant: capacity currently under construction already exceeds twice the operational installed base, while the future pipeline represents a further threefold increase. This highlights the scale of the opportunity ahead, but also underlines the importance of execution, particularly in relation to power access, permitting processes and project delivery. While Madrid, Barcelona and Lisbon consolidate their position as colocation hubs, a growing share of future capacity is being directed towards AI-oriented developments in emerging markets such as Aragón, Extremadura, Bilbao and Sines. At the same time, retail colocation activity is gradually expanding into secondary cities including Valencia, Málaga and Seville, broadening the overall footprint of the Iberian data center market.

Iberian Data Center Capacity by submarket and status
(MW IT)



56%

Of the Installed Capacity currently is Colocation

+34%

of the total capacity Under Construction is in Madrid

c. 67%

of Pipeline is located in Zaragoza, Sines & Other Regions

Note: The graph considers all the identified capacity per city, including colocation and self-built hyperscaler capacity.
Source: CBRE Research, as of June 2026.

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Future growth of the Iberian Data Center locations

Current market size (installed and under construction) and future potential capacity (including pipeline) are unevenly distributed across Iberian locations, highlighting a clear distinction between established hubs and emerging, power-led markets.

- **Madrid** remains the dominant location (c. 600 MW IT+), concentrating the largest installed base and most mature pipeline, mainly driven by a combination of hyperscale and colocation projects.
- **Sines** and **Zaragoza** currently have a smaller operational footprint but a substantial development pipeline, reflecting significant future capacity additions driven by hyperscale projects in Aragón and first-generation large-scale deployments in Sines.
- **Other regionals**' collectively show a sizeable imbalance between existing and future capacity. While individually smaller, together they represent a growing share of Iberia's long-term development potential.
- **Barcelona** and **Lisbon** remain smaller, with future supply largely aligned with existing scale, reinforcing their position as established retail-focused and colocation-driven markets.

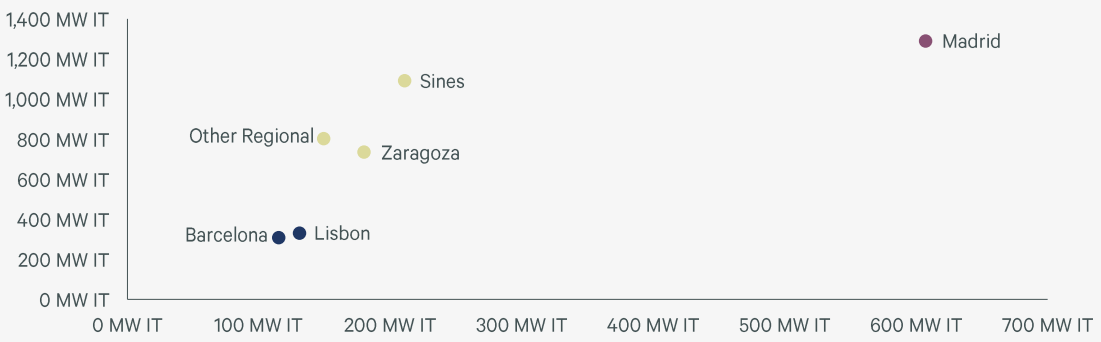
Overall, the chart reveals that market leadership remains concentrated, but future supply is promising in Iberia, with numerous pipeline-heavy locations enhancing market attractiveness.

Relative growth potential also varies significantly across locations, highlighting the different stages of market maturity across Iberia.

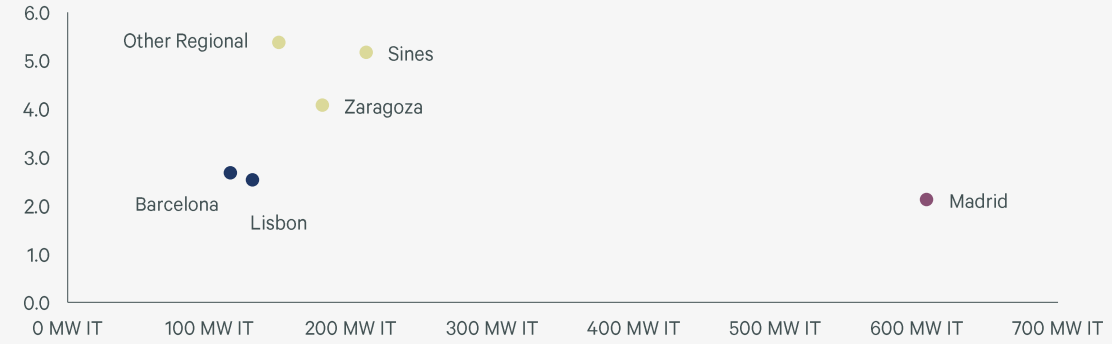
- **Madrid** exhibits more moderate relative growth (2x), reflecting its already substantial installed base despite continuing strong absolute expansion.
- **Sines** and **Zaragoza** (3x – >5x) are expected to record the strongest growth multiples, supported by large volumes of announced capacity relative to their current market size.
- **Other regionals** (>5x) are driven by low initial capacity combined with newly announced pipeline, although this reflects multiple smaller locations grouped together.
- **Barcelona** and **Lisbon** (2x – 3x) show more contained growth, similarly to Madrid. However, both are different in the terms that historically their demand was driven by enterprises, favoring retail colocation, leading to a more stable and gradual expansion.

In summary, future expansion is increasingly concentrated in emerging, power-rich locations, while established hubs continue to provide the foundation of Iberia's operational capacity.

Current Market Size (horizontal) and Future Potential Market Size (vertical)



Current Market Size (horizontal) and Growth Multiple (vertical)



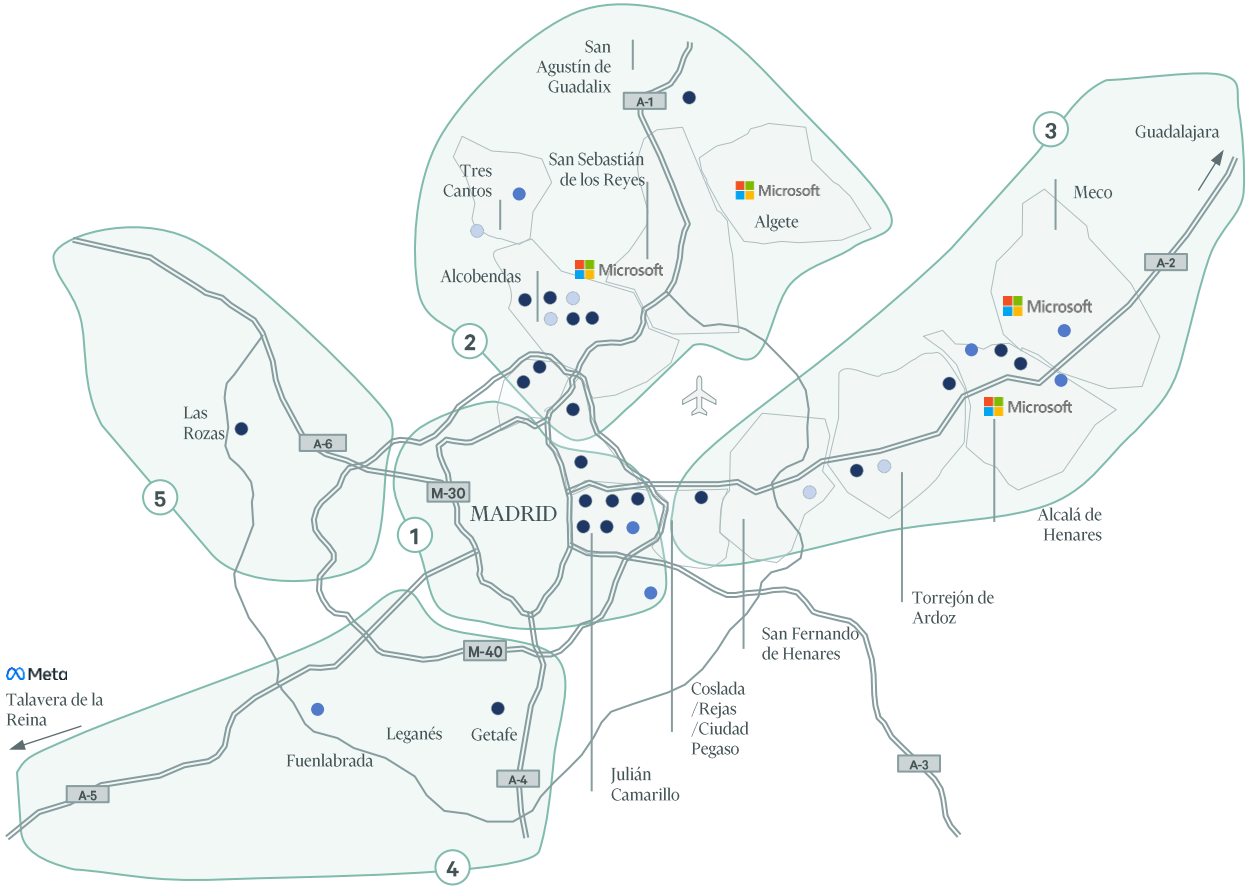
Note: For this analysis, Current Market Size includes Installed Capacity and Under Construction, while Future Market Size adds the pipeline to current capacity.
Source: CBRE Research, as of June 2026.

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3.1 Madrid Market

Madrid is evolving from a legacy enterprise market into a hyperscaler-led multi-corridor data center hub



224 MW IT
Installed Capacity in Madrid

228 MW IT
Under Construction in Madrid (up to 2027)

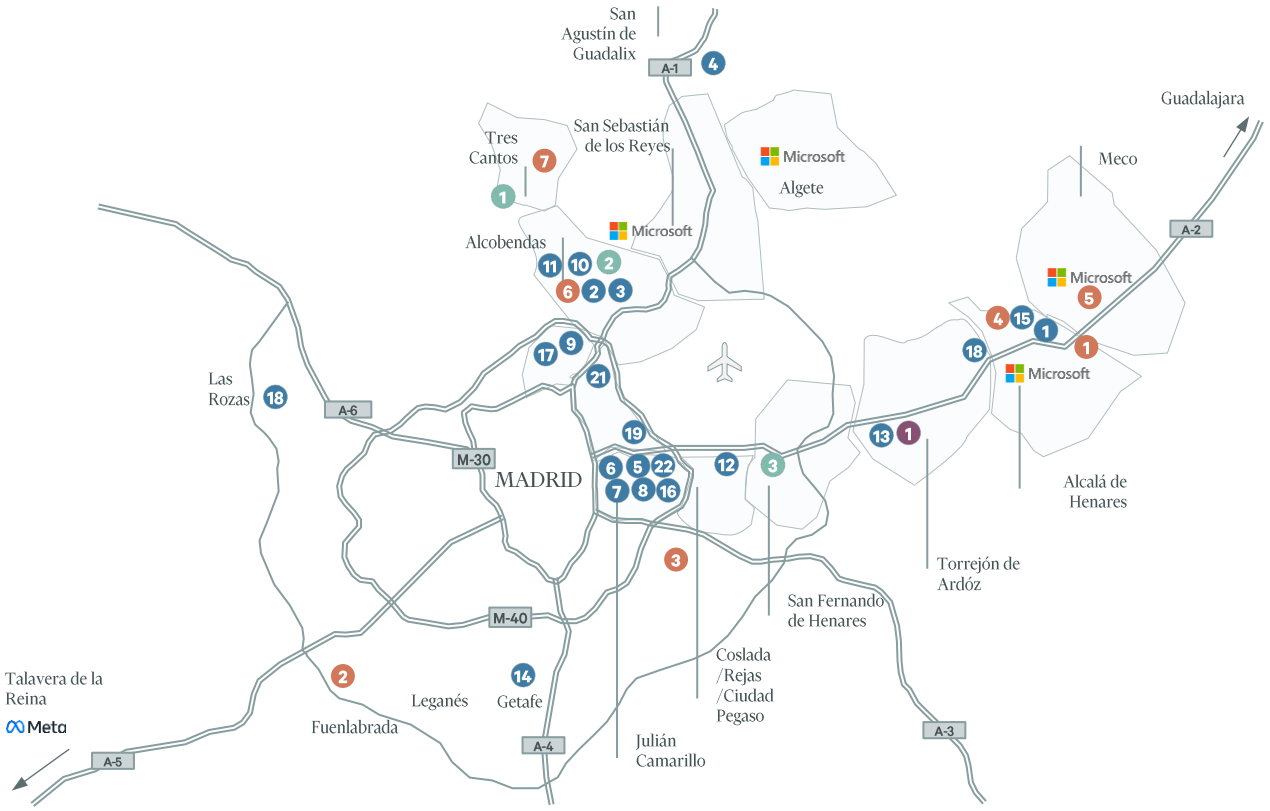
1.3 GW IT
Potential Market Size

DRIVERS	SUBMARKET	COMMENT
Anchored by hyperscaler Availability Zones (AWS, Google, Microsoft, IBM)	1 **Madrid Center**	▪ **Core urban cluster** concentrated around Julián Camarillo (JC), hosting early **enterprise-driven deployments** with difficult scalability due to power and land constraints.
Alignment with Madrid's telecom and infrastructure corridors	2 **Madrid North**	▪ Mature **hyperscaler-led cluster** established in **Alcobendas**, and now **extending northwards** across other industrial zones (Tres Cantos, San Agustín, Algete) with strong **connectivity** and significant **large-scale expansion**.
Strong enterprise presence with existing on-premise data centers	3 **Madrid East**	▪ Highly **diversified cluster** spanning from traditional enterprise clusters to rapidly **scaling areas** (San Fernando, Coslada, Barajas) and **emerging large-scale developments** further East (Meco, Alcalá, Guadalajara).
Established data center ecosystem creating clustering effects	4 **Madrid South**	▪ Mixed-use cluster combining **enterprise sites** with **emerging hyperscaler activity**, supported by lower land constraints and **growing availability for large-scale developments** (A4/A5 axis).
	5 **Madrid West**	▪ **Nascent submarket** with limited current capacity, where isolated developments reflect **corporate strategy** beyond core and eastern markets.

Source: CBRE Research, as of June 2026.

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Madrid is evolving from a legacy enterprise market into a hyperscaler-led multi-corridor data center hub



224 MW IT
Installed Capacity in Madrid

228 MW IT
Under Construction in Madrid (up to 2027)

1.3 GW IT
Potential Market Size

	Operator	Location
Installed Capacity		
1	Adam	Alcalá de Henares
2	CyrusOne	Alcobendas
3	Data4	Alcobendas
4	Data4	San Agustín de Guadalix
5	Digital Realty	Julián Camarillo
6	Digital Realty	Julián Camarillo
7	Digital Realty	Julián Camarillo
8	Digital Realty	Julián Camarillo
9	Equinix	Alcobendas
10	Equinix	Alcobendas
11	Equinix	Alcobendas
12	Global Switch	Rejas
13	Iron Mountain	San Fernando de Henares
14	Merlin Edged	Getafe
15	Nabiax	Alcalá de Henares
16	Nabiax	Julián Camarillo
17	nLighten	Alcobendas
18	NTT	Las Rozas
19	NxN	Hortaleza
20	Templus	Alcalá de Henares
21	Templus	Hortaleza
22	Templus	Julián Camarillo
Under Construction		
1	ACS Digital	Alcalá de Henares
2	Apto	Fuenlabrada
3	Damac Digital	Vicálvaro
4	Nabiax	Alcalá de Henares
5	PureDC	Meco
6	Prime DC	Alcobendas
7	Quetta	Tres Cantos

	Operator	Location
Pipeline		
1	Merlin Edged	Tres Cantos
2	Ferrovial Digital	Alcobendas
3	Goodman	Rejas
Self-Built		
	Microsoft	Alcalá de Henares
	Microsoft	Algete
	Microsoft	Meco
	Microsoft	San Sebastián de los Reyes
	Meta	Talavera de la Reina
European Projects		
1	EU AI Plan	San Fernando de Henares

Source: CBRE Research, as of June 2026.

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Evolution of Colocation Supply in Madrid

Market Profile

Madrid has experienced strong and sustained capacity growth with installed capacity increasing from 50 MW in 2019 to over 206 MW in 2025. Based on capacity currently under construction, the market is expected to reach 452 MW by 2027, highlighting the market's strong demand fundamentals. In addition, expanding the scope and considering until 2029, capacity installed could reach 607 MW.

Madrid is the **core market of Iberia** with a diversified base of projects from retail development, wholesale colocation, large-scale hyperscale developments and now, AI driven facilities. This strong growth registered and expected is underpinned by **strong demand fundamental** from global cloud providers deploying availability zones, combined with exceptional connectivity infrastructure.

Location Shift

Data center development is **increasingly shifting away from central urban locations** towards peripheral clusters along major transport corridors. These areas offer **greater access to power, land availability and scalability**, all of which are critical for large-scale deployments.

While new submarkets are emerging successfully, the **East (A2)** corridor stands out as the **most sought-after cluster**, accounting for the largest concentration of both capacity under construction and future pipeline. At the same time, North (A1) remains a key established cluster, benefiting from existing infrastructure, strong connectivity and a well-developed ecosystem, reinforcing its role as an historical core hyperscale hub.

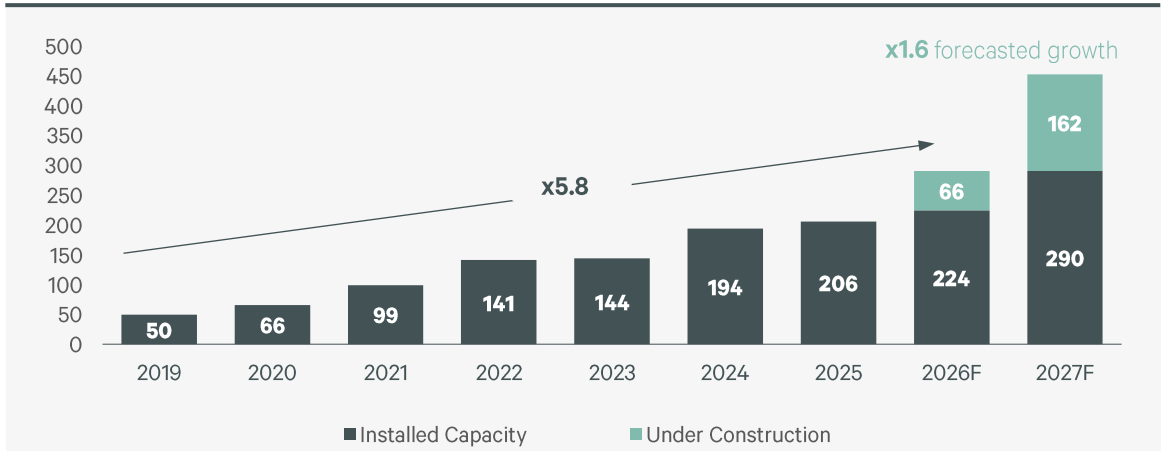
Submarket Dynamics

Capacity distribution across Madrid's submarkets highlights clear differences in maturity, development stage and growth potential.

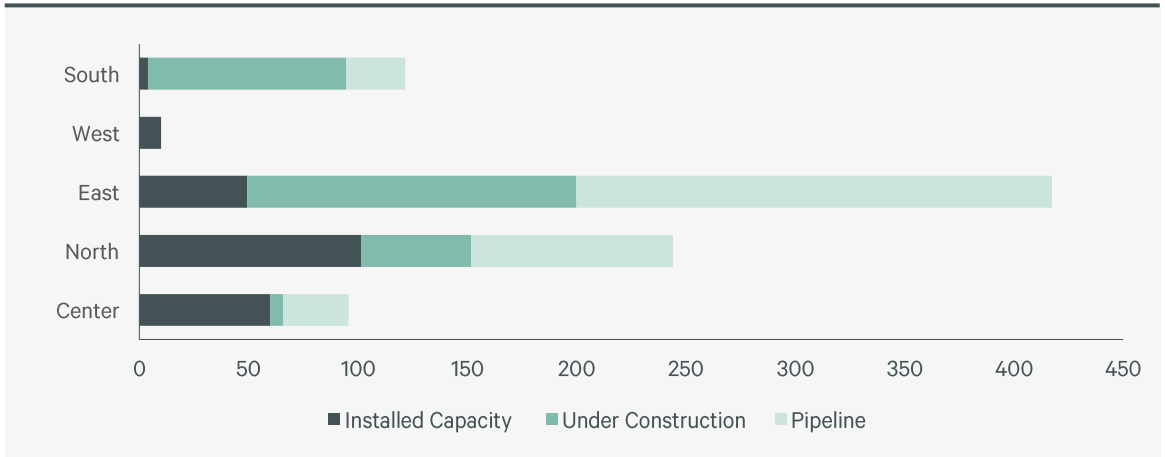
- Central areas remain mature and well-established, with limited pipeline and scalability
- The East and North clusters concentrate the majority of future capacity currently under construction
- The South is emerging from a smaller base but is expected to become the third submarket in the city
- The West only accounts for isolated small capacity in the city

Overall, Madrid **has evolved into a diversified hyperscale and enterprise-driven market,** with growth spread across multiple clusters while remaining concentrated in a small number of strategic locations.

Madrid's Colocation Supply (Installed Capacity + Under Construction)
in capacity (IT MW)



Madrid's Submarkets Total Colocation Supply
in capacity (IT MW)



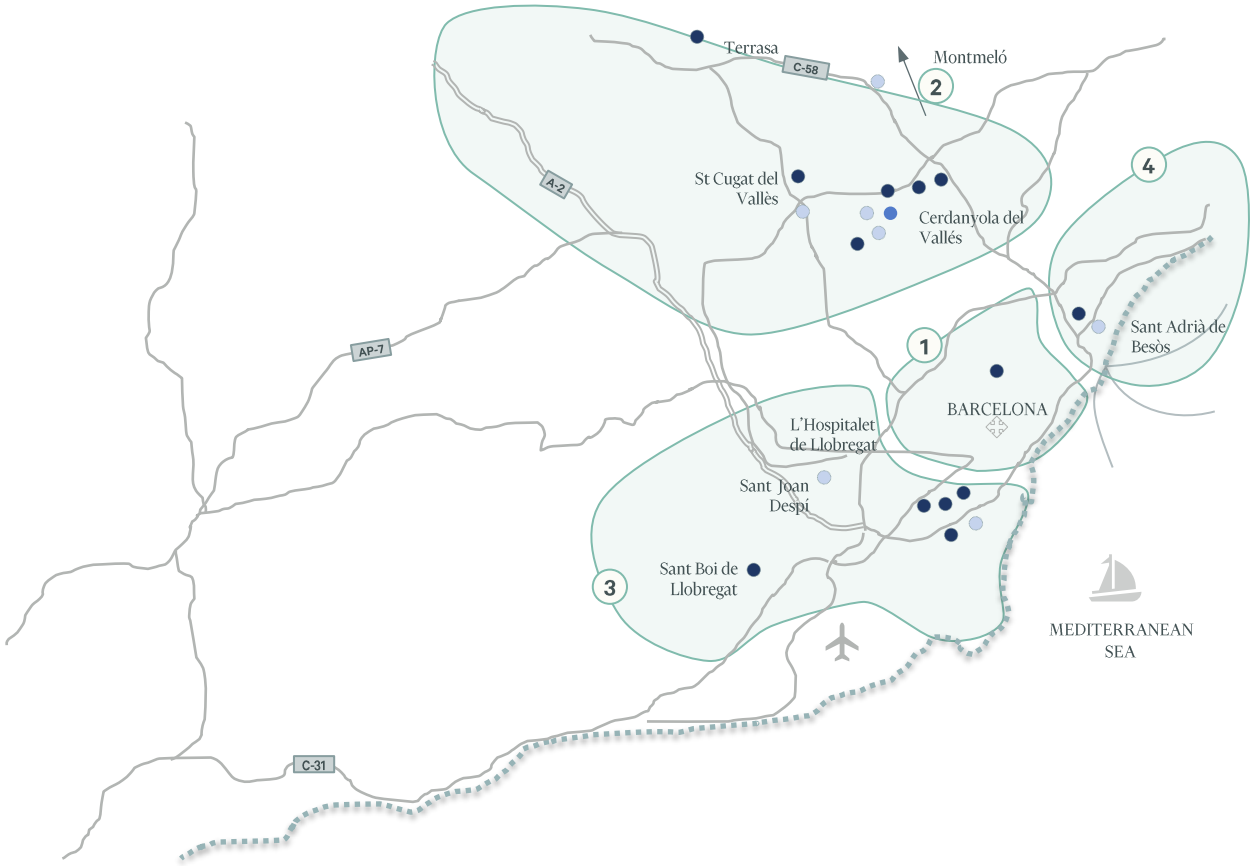
Source: CBRE Research, as of June 2026

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3.2 Barcelona Market

Barcelona remains a retail-led market, with growth shifting towards scalable corridors outside urban clusters



59 MW IT
Installed Capacity in Barcelona

48 MW IT
Under Construction in Barcelona (up to 2027)

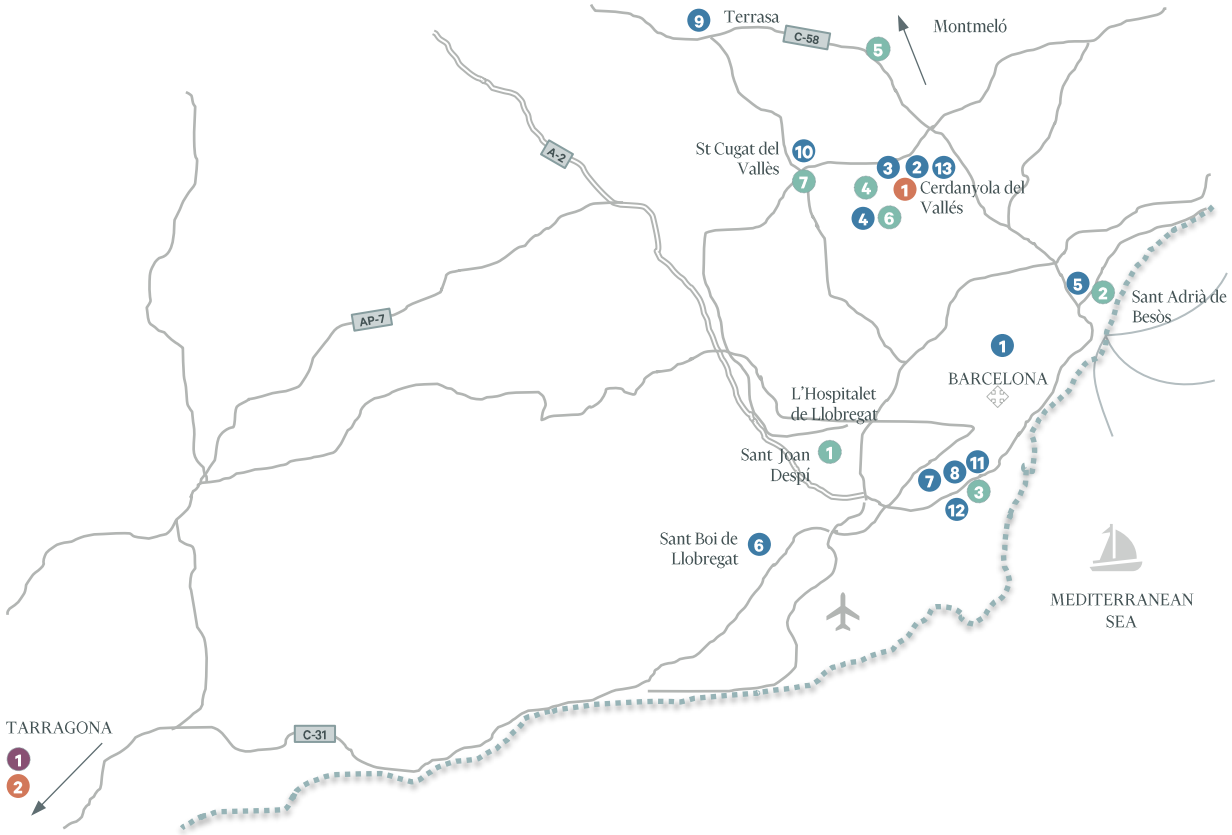
281 MW IT
Potential Market Size

DRIVERS	SUBMARKET	COMMENT
Barcelona's core business districts enterprise-driven locations	1 Barcelona Center	▪ **Urban core concentrated in Barcelona city**, where high land costs and limited available space restrict scalability, with **existing facilities mainly serving enterprise and retail demand** close to the city's business districts.
Expansion hub enabling **large-scale development** beyond **urban constraints**	2 Barcelona North	▪ **Main expansion cluster** extending from Cerdanyola / Parc de l'Alba towards Sant Cugat and Terrassa, driven by **Barcelona's constrained urban topology and offering larger, more scalable sites** beyond the metropolitan core.
Current and future presence of multiple operators all around the city and beyond	3 Barcelona South	▪ **Established industrial cluster** expanding from L'Hospitalet towards Sant Boi and Sant Joan Despí, supported by **industrial/logistics land availability and proximity to Barcelona's enterprise** demand base.
Opportunistic locations providing small-edge uses outside core hubs	4 Barcelona East	▪ **Connectivity-led emerging submarket** around Sant Adrià de Besòs and Badalona. This cluster stands as a natural extension of the market supported by the proximity to cable landing infrastructure and coastal fiber routes.

Source: CBRE Research, as of June 2026

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Barcelona remains a retail-led market, with growth shifting towards scalable corridors outside urban clusters



59 MW IT
Installed Capacity in Barcelona

48 MW IT
Under Construction in Barcelona (up to 2027)

281 MW IT
Potential Market Size

Operator	Location
Installed Capacity	
1 Adam	Center
2 Adam	Cerdanyola del Vallès
3 Caixabank	Cerdanyola del Vallès
4 Caixabank	Cerdanyola del Vallès
5 Digital Realty	St Adrià de Besòs
6 Edgeconnex	St Boi de Llobregat
7 Equinix	L'Hospitalet de Llobregat
8 Merlin Edged	Zona Franca
9 Nabiax	Terrassa
10 OxygenDC	St Cugat del Vallès
11 Templus	L'Hospitalet de Llobregat
12 Templus	L'Hospitalet de Llobregat
13 T-Systems	Cerdanyola del Vallès
Under Construction	
1 Hscale	Cerdanyola del Vallès
2 Submer	Flix
Pipeline	
1 Atlas Edge	St Joan Despí
2 Ark Data Centers	St Adrià de Besòs
3 Goodman	Zona Franca
4 GTR	Cerdanyola del Vallès
5 Mediterra	Montmeló
6 Panattoni	Cerdanyola del Vallès
7 Submer	Rubí
European Projects	
1 EU AI Plan	Móra la Nova

Source: CBRE Research, as of June 2026

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Evolution of Colocation Supply in Barcelona

Market Profile

Barcelona remains primarily a **retail and enterprise-driven** data center market with installed capacity increasing from 14 MW in 2019 to 59 MW in 2025. According to the capacity under construction, the market is expected to reach 107 MW by 2027. Furthermore, taking the analysis through 2029, the total market installed capacity could total 115 MW, with an additional c. 190 MW that remain in the pipeline and around 100 MW as future projects waiting for execution.

Barcelona has long been Iberia's second most relevant data center market, driven by **local structural demand and access to subsea cable infrastructure** connecting the mediterranean region. The market continues to benefit from solid structural demand for both wholesale and retail colocation demand from enterprises.

Location Shift

The market is facing increasing constraints on large-scale data center development within Barcelona. Historically, deployments have focused on retail-oriented facilities in urban areas such as L'Hospitalet de Llobregat, while **recent activity has shifted towards larger-scale projects** in peripheral clusters such as Parc de l'Alba (Cerdanyola del Vallès).

These developments are reshaping the market landscape and are expected to support future demand as **Parc de l'Alba emerges as a third strategic hub for hyperscale deployments**.

The Barcelona market is also characterized by the EU AI Gigafactory project promoted in Mora La Nova in the southern region towards Tarragona.

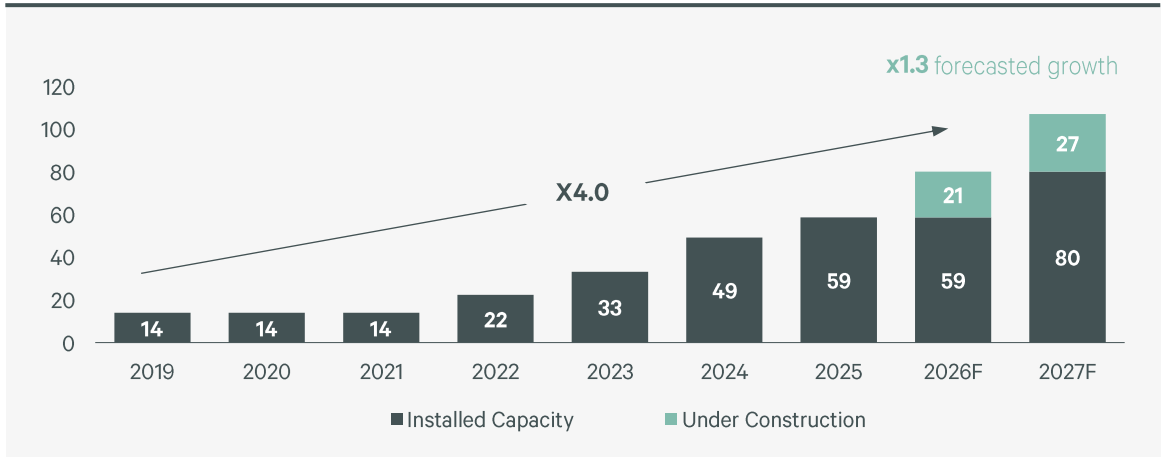
Submarket Dynamics

Barcelona's future capacity is mainly concentrated in North and South submarkets.

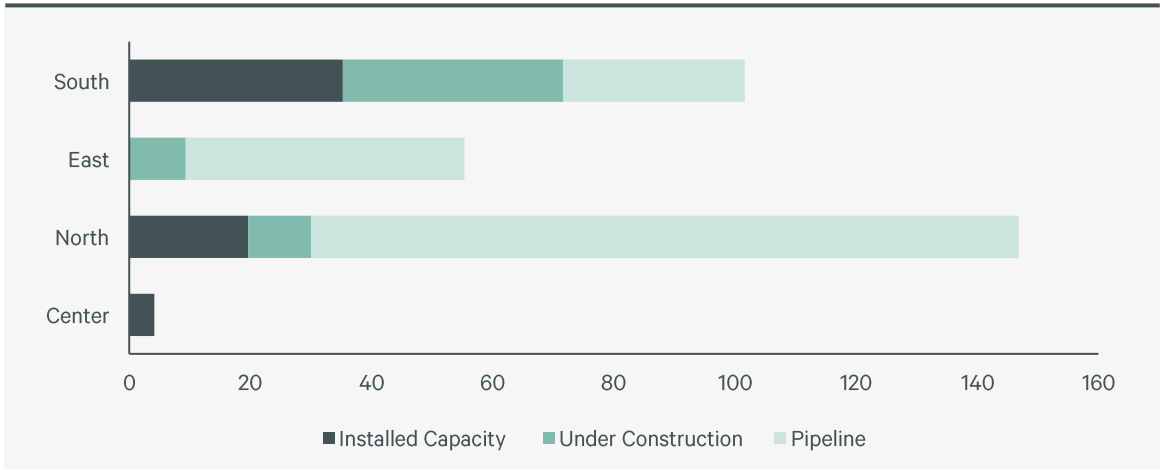
- The North is emerging as the primary growth cluster, supported by a substantial pipeline around Cerdanyola del Vallès and Sant Cugat
- The South is also gaining relevance, expanding gradually from L'Hospitalet toward surrounding areas
- The East cluster plays a more strategic role, leveraging its connectivity and subsea cable infrastructure in Sant Adrià de Besòs

Source: CBRE Research, as of June 2026

Barcelona's Colocation Supply (Installed Capacity + Under Construction)
in capacity (IT MW)



Barcelona's Submarkets Total Colocation Supply
in capacity (IT MW)

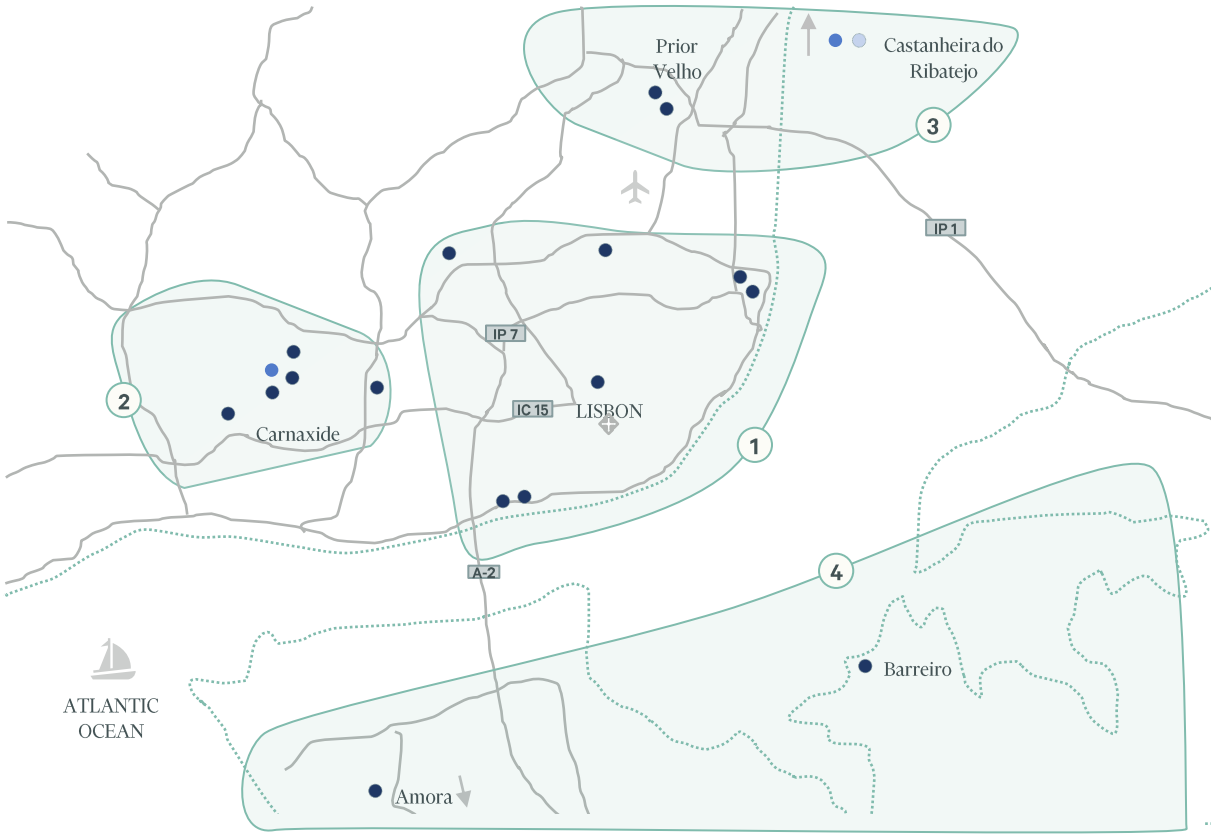


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3.3 Lisbon Market

Lisbon remains a retail-driven market, now entering a new expansion cycle



DRIVERS	SUBMARKET	COMMENT
Retail-driven demand supports a distributed pipeline of smaller-scale data center developments	1 Lisbon Center	▪ **Urban proximity market** concentrated within Lisbon city, where **developments are smaller** and mainly serving **enterprise or retail needs close** to business districts, but constrained by **land scarcity**, **higher costs and limited expansion** potential.
More accessible and structured power allocation framework than Spain	2 Lisbon West	▪ **Established Carnaxide-led cluster** forming Lisbon's most **consolidated data center area**, supported by **mature suburban business and industrial locations**, proximity to the city's demand base and stronger evidence of existing operational activity.
International subsea connectivity *(#2 Iberia's key connectivity gateways)*	3 Lisbon North	▪ **Scalable northern growth corridor** extending from Prior Velho towards Castanheira do Ribatejo, combining nearby logistics locations with larger sites, making it the **most relevant area for potential scalability** beyond the urban core of Lisbon.
	4 Lisbon South	▪ **Emerging south zone** across Amora and Barreiro and the wider southern corridor, characterized by more **dispersed activity** today but greater **land availability** and potential for larger, infrastructure developments over time thanks to the **proximity to Setubal-area with submarine connectivity**.

15 MW IT
Installed Capacity in Lisbon

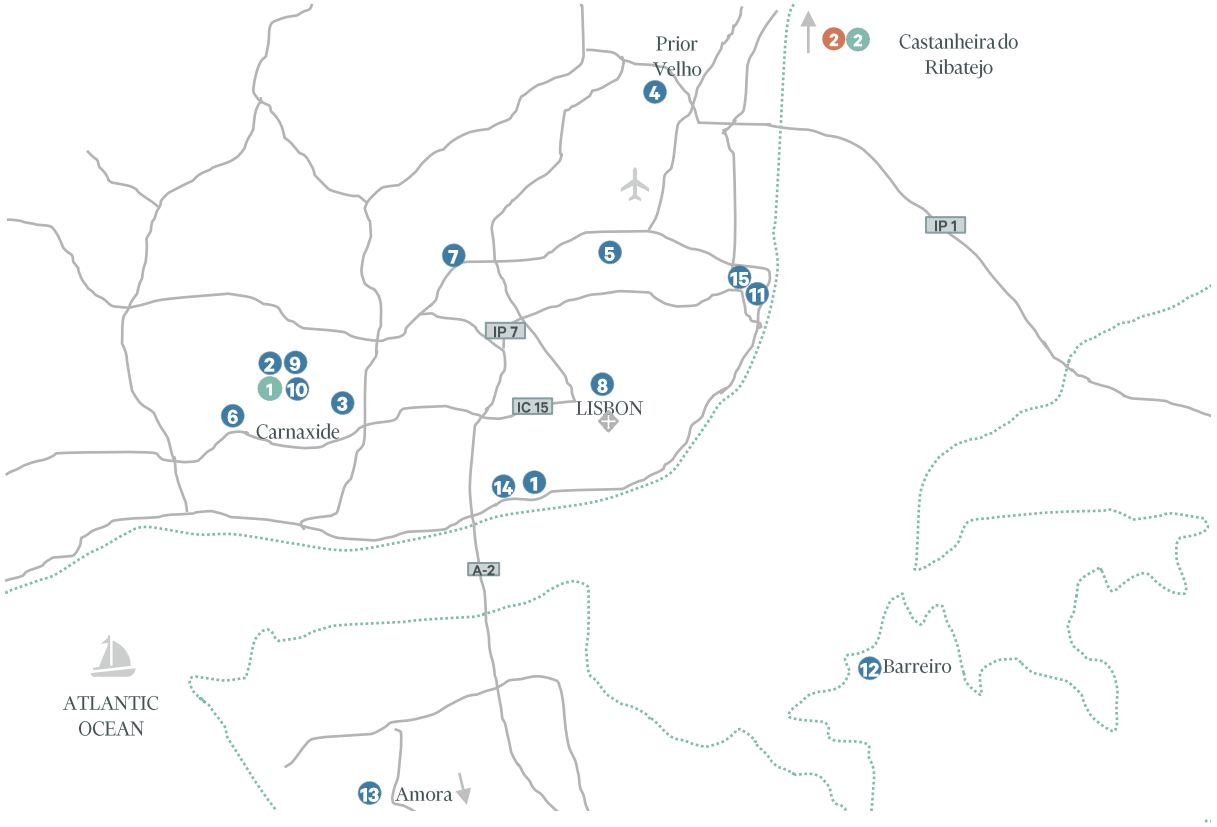
11 MW IT
Under Construction in Lisbon (up to 2027)

>300 MW IT
Potential Market Size

Source: CBRE Research, as of June 2026

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Lisbon remains a retail-driven market, now entering a new expansion cycle



Operator	Location
Installed Capacity (Colocation)	
1 ArTelecom	Center
2 Atlas Edge (LS01)	Carnaxide
3 Digital Realty	Carnaxide
4 Equinix	Prior Velho
5 FCCN	Center
6 MEO	Carnaxide
7 MEO	Center
8 MEO	Center
9 NOS	Carnaxide
10 NOS	Carnaxide
11 Oni DC	Center
12 Online.pt	Barreiro
13 Tata Communications	Amora
14 Templus	Center
15 Web Nuga	Center
Under Construction	
1 Atlas Edge	Carnaxide
2 Merlin Edged	Castanheira do Ribatejo
Pipeline	
1 Atlas Edge (LS02)	Carnaxide
2 Merlin Edged	Castanheira do Ribatejo

15 MW IT
Installed Capacity in Lisbon

11 MW IT
Under Construction in Lisbon (up to 2027)

+300 MW IT
Potential Market Size

Source: CBRE Research, as of June 2026

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Evolution of Colocation Supply in Lisbon

Market Profile

Lisbon is a robust data center market with installed capacity stagnating at around 8 MW between 2019 and 2024, showing **limited development activity over the past decade.**

However, the market is now entering a **new growth phase**, with capacity increasing to 15 MW in 2025 and expected to almost double its size by 2027 due to current under construction projects. Moreover, the 2029 outlook suggests installed capacity may increase to 131 MW, almost ten-folding its size .

Overall, there is a **growing investor and operator interest,** although the market remains primarily retail and enterprise-driven.

Location Shift

Recent activity has been **driven by a combination of new colocation developments**. Moreover, for the Ibero-Portuguese analysis, it is convenient to consider Start Campus gigafactory in Sines as well, which accounts for most of the capacity in Portugal.

While these large initiatives highlight the potential for hyperscale expansion in Portugal, Lisbon itself remains at an earlier stage, with development still largely focused on small isolated colocation centers rather than large-scale deployments.

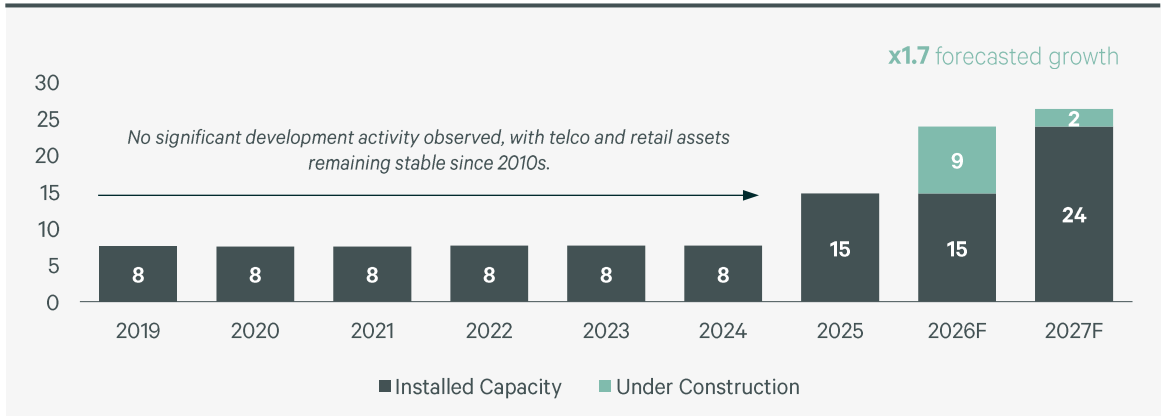
Submarket Dynamics

Lisbon's **future capacity is heavily concentrated in the North submarket**, which accounts for the vast majority of pipeline activity, while other areas remain comparatively small.

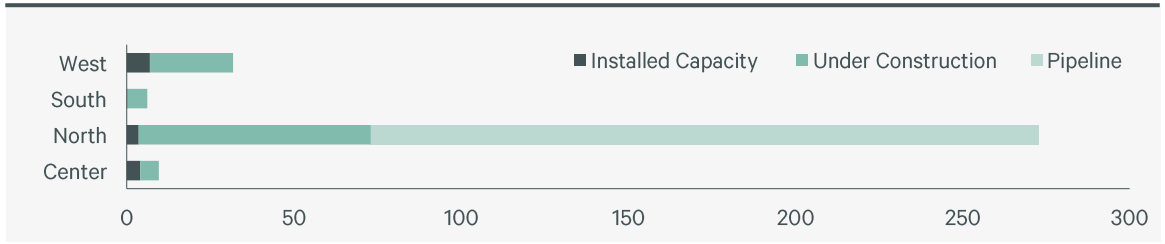
Central locations continue to dominate the existing installed base, but future growth is shifting toward peripheral corridors. Again, in Lisbon land and power availability are prioritized over location.

Overall, the market shows an early-stage, with a highly concentrated structure. To end, **short and long-run expansion is limited mostly to the North**, leaving the other submarkets unasked in comparison.

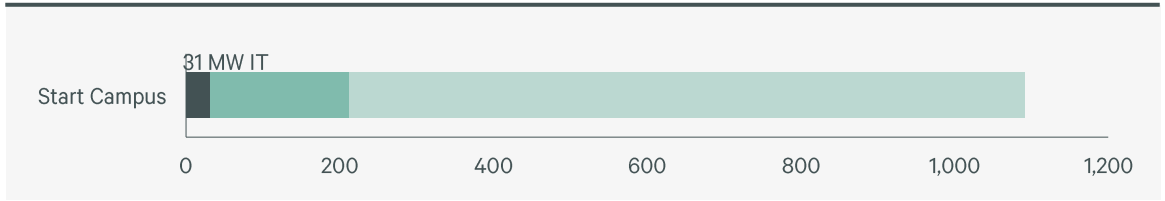
Lisbon's Colocation Supply (Installed Capacity + Under Construction)
in capacity (IT MW)



Lisbon's Submarkets Total Colocation Supply
in capacity (IT MW)



Sines Gigafactory Project – Start Campus
in capacity (IT MW)



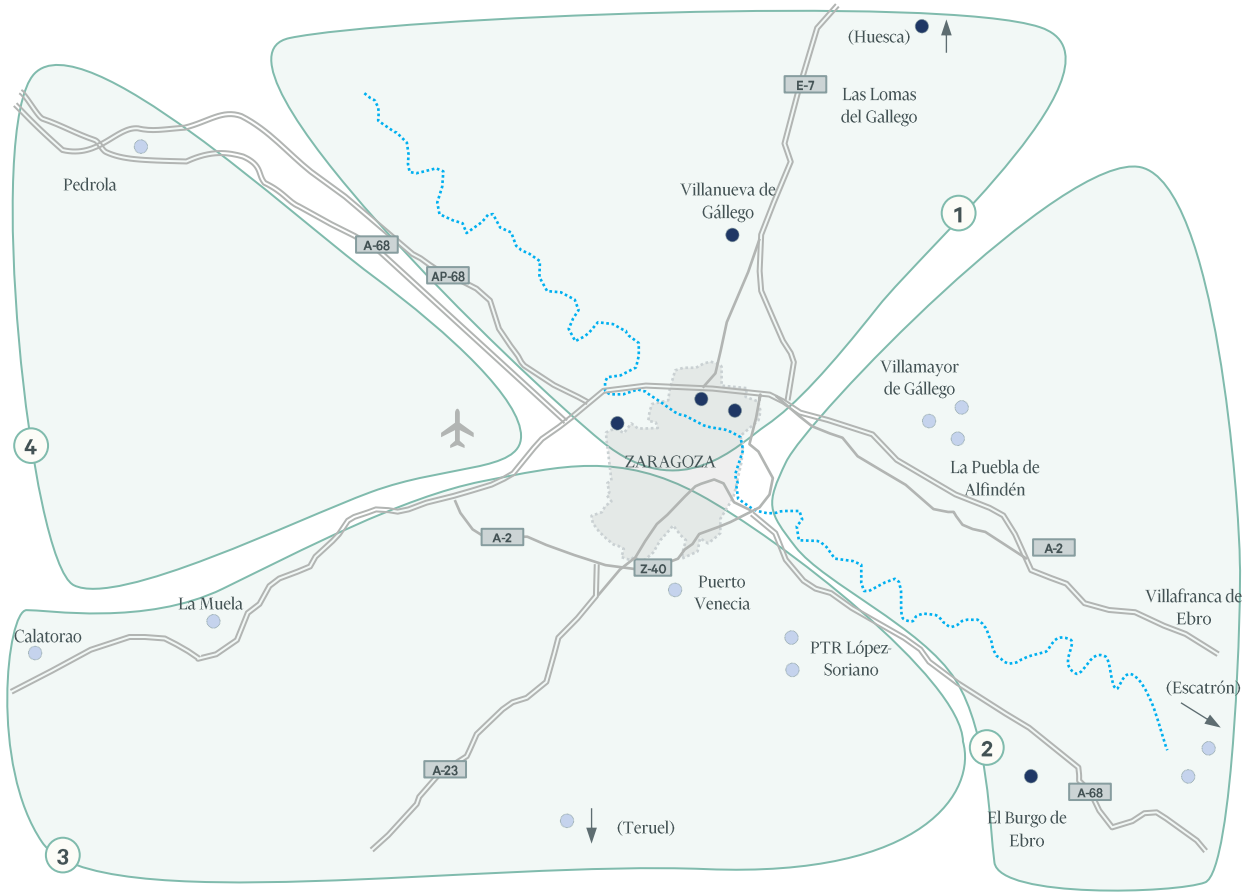
Source: CBRE Research, as of June 2026

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3.4 Zaragoza Market

Zaragoza is emerging as a hyperscaler- and AI-driven data center market



13 Data Centers
Self-built by Hyperscalers in Zaragoza

91 MW IT
Installed Capacity in Zaragoza

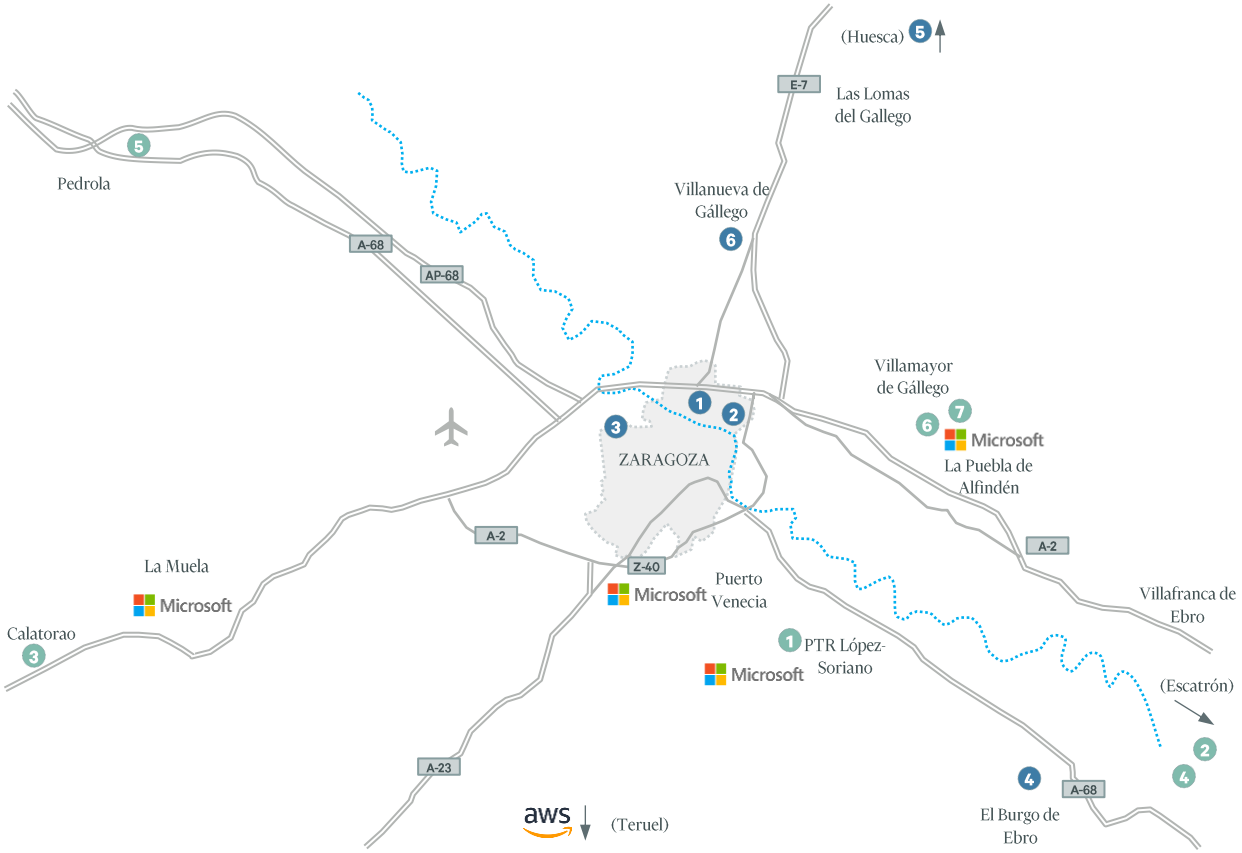
c. 2.5 GW IT
Future Projects in Zaragoza

DRIVERS	SUBMARKET	COMMENT
Hyperscalers' large-scale self-built projects, establishing the initial demand base (AWS, Google, Microsoft) Microsoft aws **Emerging Gigafactories adjacent to hyperscaler campuses to leverage existing infrastructure**	1 Zaragoza North	▪ **Established northern core** spanning Villanueva de Gállego, Las Lomas del Gállego and the northern access routes, where **early self-built deployments** have **created Zaragoza's first consolidated data center node**.
	2 Zaragoza East	▪ **Scaling eastern corridor** extending through Villamayor de Gállego, La Puebla de Alfindén and El Burgo de Ebro, supported by **strong development momentum and** benefiting from proximity to **logistics**, **transport** and **power infrastructure** that supports **larger-scale developments**.
	3 Zaragoza South	▪ **Power-led AI expansion zone** around Puerto Venecia and PTR López-Soriano, characterized by **large industrial land availability and next-generation projects** designed for high-density compute.
	4 Zaragoza West	▪ **Early-stage western frontier** around La Muela, Pedrola and Calatorao, with more **dispersed activity and potential to capture future spillover** from Zaragoza's core development corridors.

Source: CBRE Research, as of June 2026

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Zaragoza is emerging as a hyperscaler- and AI-driven data center market



Operator	Location
Installed Capacity (Colocation)	
1 Adam	Center
2 CyrusOne	Center
3 Data4	Center
Installed Capacity (Hyperscaler)	
4 AWS	El Burgo de Ebro
5 AWS	Huesca
6 AWS	Villanueva de Gállego
Pipeline	
1 ACS Digital	PTR López-Soriano
2 DayOne	Escatrón
3 QTS (Blackstone)	Calatorao
4 Repsol	Escatrón
5 Samca	Pedrola
6 Tillion (Azora)	Villamayor de Gállego
7 Vantage	Villamayor de Gállego

Self-Built Pipeline

aws	Teruel
Microsoft	La Muela
Microsoft	PTR López-Soriano
Microsoft	Puerto Venecia
Microsoft	Villamayor de Gállego

13 Data Centers
Self-built by Hyperscalers in Zaragoza

91 MW IT
Installed Capacity in Zaragoza

c. 2.5 GW IT
Future Projects in Zaragoza

Source: CBRE Research, as of June 2026

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Evolution of Hyperscale & Gigafactories' Supply in Zaragoza

Market Profile

The Zaragoza market, as defined in this analysis, includes the wider Aragón region. Over the past three years, the **market has grown rapidly**, reinforcing the investment rationale of locating data center capacity closer to power generation sources. Zaragoza benefits from access to **significant renewable energy resources as well as large land plots** capable of accommodating hyperscale campuses and gigafactory developments.

The development of Zaragoza as a data center market is primarily **driven by hyperscaler and AI-related demand**, underpinned by the availability of land, power capacity and long-term scalability. This growth has been driven by hyperscale self-build developments from AWS and Microsoft, alongside several large-scale facilities with planned capacities exceeding 150 MW.

Although not all hyperscale capacity has been publicly announced, the core market is currently expected to exceed 600 MW. Given the scale-driven nature of the market, it is important to note that our dataset also includes close to 2.5 GW of additional capacity from future projects that have been announced or are under consideration. As these projects mature, we expect them to be incorporated into future updates of our analysis.

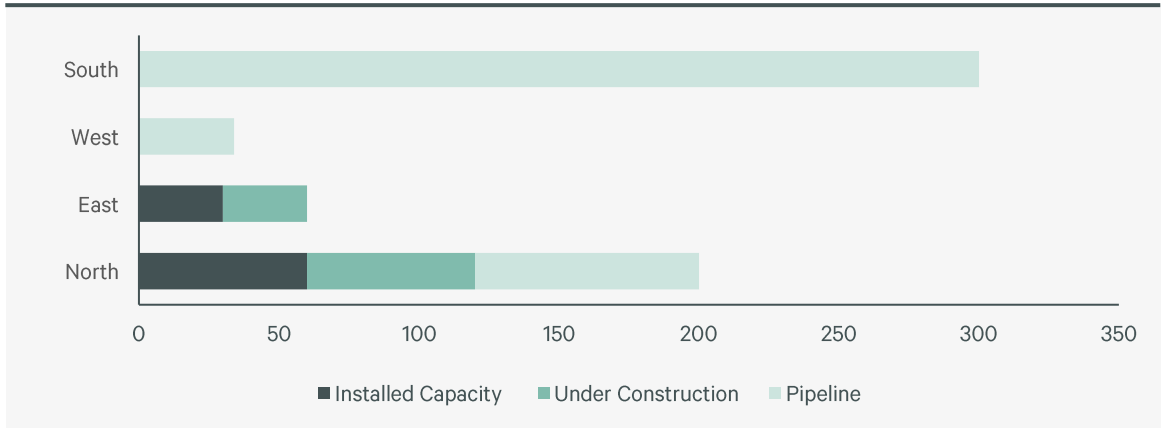
Submarket Dynamics

Zaragoza's capacity is distributed across several submarkets, but remains primarily driven by pipeline activity, with limited installed capacity compared to planned developments.

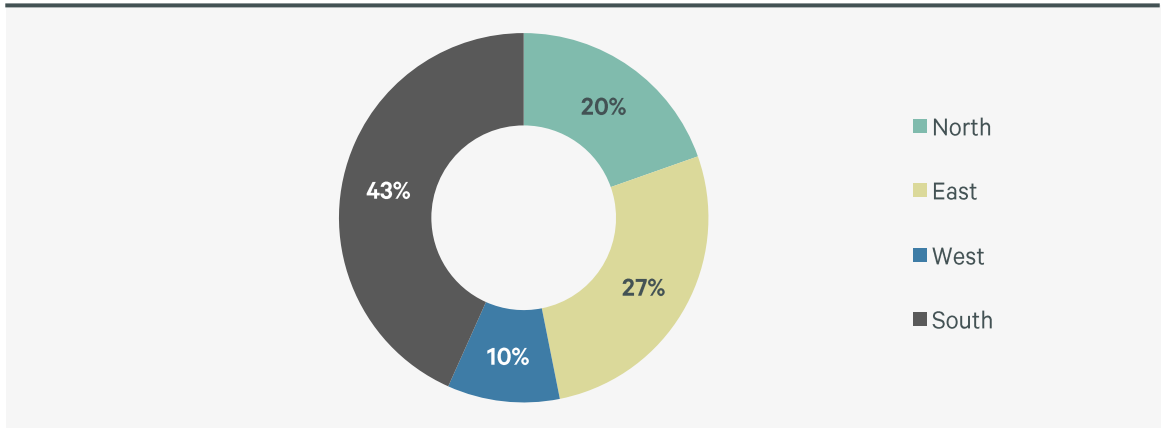
1. **South** → 43% of the total future capacity with a strong pipeline.
2. **East** → 27% of the total with future projects being almost all of the identified capacity.
3. **North** → 20% of the total identified capacity. This is the area where most of the current market is installed or under development.
4. **West** → 10% with many projects announced but few visibility in the short and medium-term.

Overall, Zaragoza remains **a nascent data center market**, but one with significant growth potential given the scale of the announced pipeline and future projects under consideration.

Zaragoza Submarkets Hyperscale and Gigafactories' Supply
in capacity (IT MW)



Zaragoza's Future Total Capacity by Submarkets
in percentage (%)



Source: CBRE Research, as of June 2026

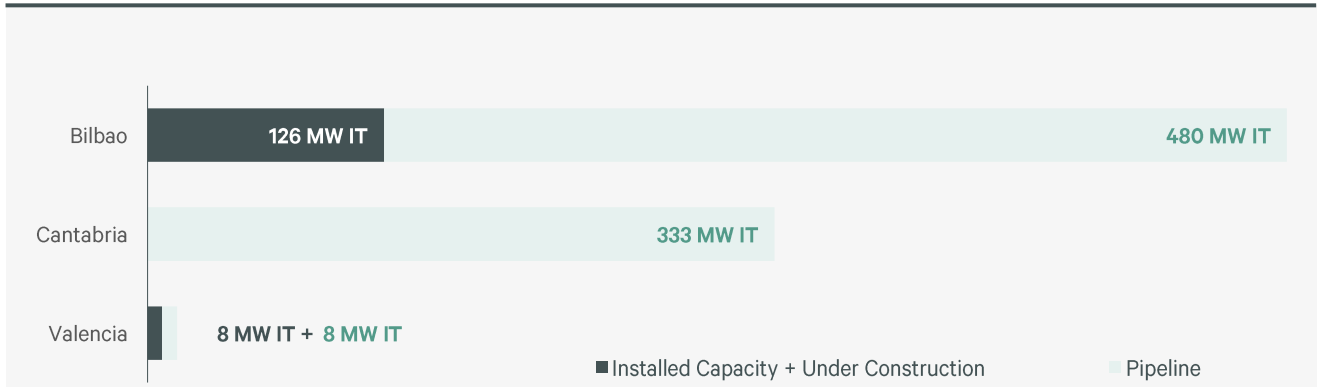
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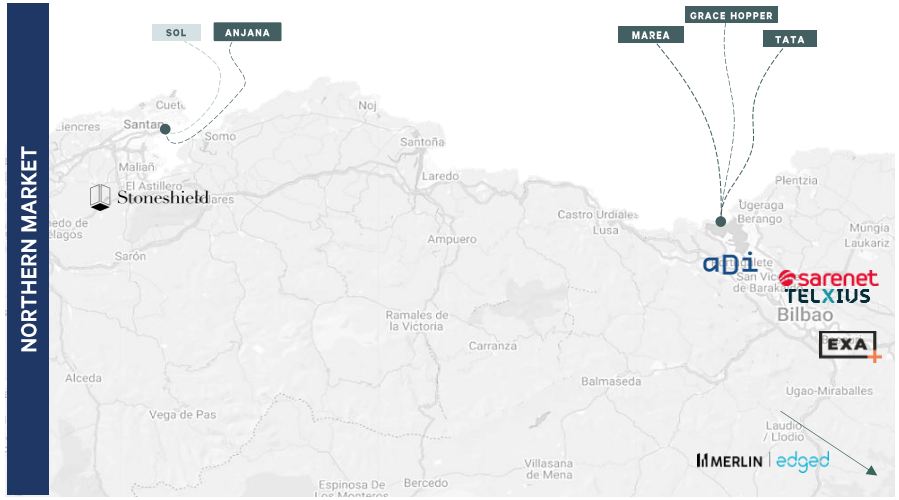


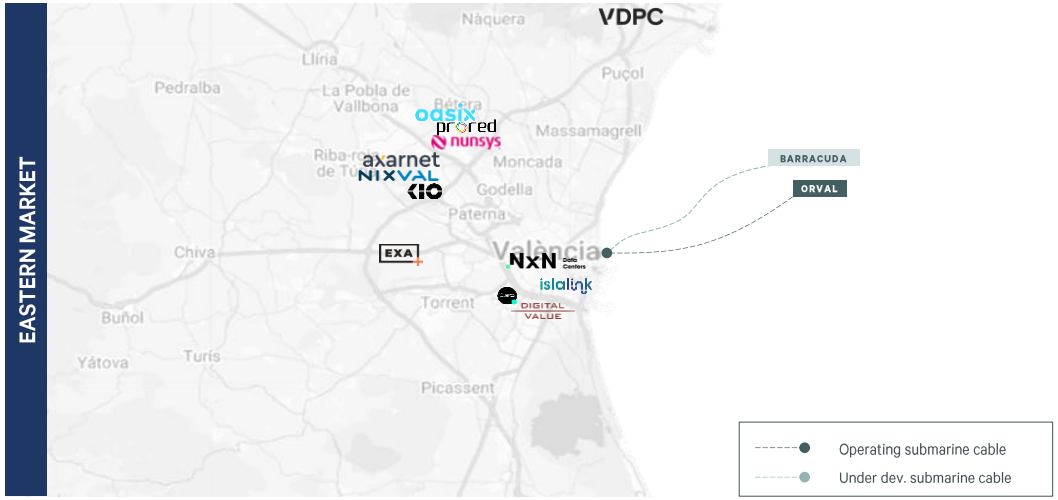
3.5 Emerging Iberian markets

Emerging Connectivity-driven Markets

DRIVERS	SUBMARKET	COMMENT
Significant number of cable landing stations, making it Spain's primary gateway for international data traffic Lower competition for power and land compared to core markets Complementary sites to Tier I markets, enabling geographic diversification and resilience of infrastructure	Key international routes	▪ **Bilbao** → leads as the **main deployment hub**, with larger led by the Merlin Edged facility ▪ **Cantabria** → **attracts new large-scale projects**, with numerous announcements, but has yet to deliver capacity ▪ **Valencia** → remains a smaller, **more decentralized** market supporting **selective developments linked to international routes**.







Source: CBRE Research, as of June 2026

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04
The CBRE Data Center Solutions Platform



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Only CBRE Data Center Solutions can deliver expert solutions to power your digital infrastructure across every dimension.

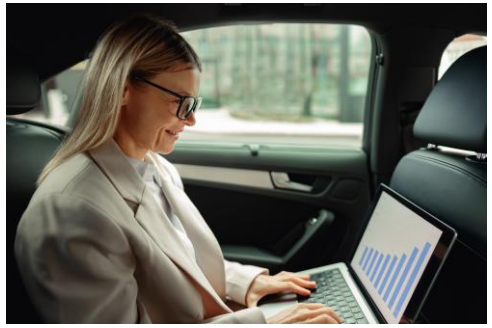
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And we're always on.



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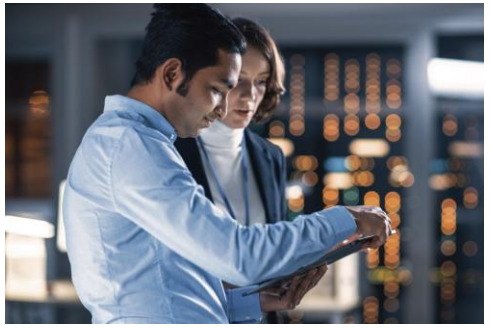
to power confident decisions that keep data center strategy on pace with business.



We give you global reach

that covers digital infrastructure worldwide, at the scale and speed to succeed

to eliminate costly missteps and maximize value in even the largest portfolios.



We deliver reliable execution

that comes from experts who know data centers end to end

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From strategy to operations. Supporting clients across the entire asset lifecycle.

A vertically integrated team enabling investors, operators and tenants to efficiently execute data center projects.

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Data Centers

From strategy to operations. Supporting clients across the entire asset lifecycle.

A vertically integrated team enabling investors, operators and tenants to efficiently execute data center projects.

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Our global operating model prioritizes service excellence, is underpinned by advanced technology and supported by a network of leading service partners. In addition, we self-perform the majority of technical maintenance activities, ensuring greater control, efficiency and reliability.

Research

Digital Technology

Data Science

ESG

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At CBRE, we combine market-leading intelligence, real estate capabilities and specialized technical expertise to support clients in critical location, investment, financing and operational decisions.

Our integrated approach aligns digital and real estate objectives, maximizing value while minimizing risk.

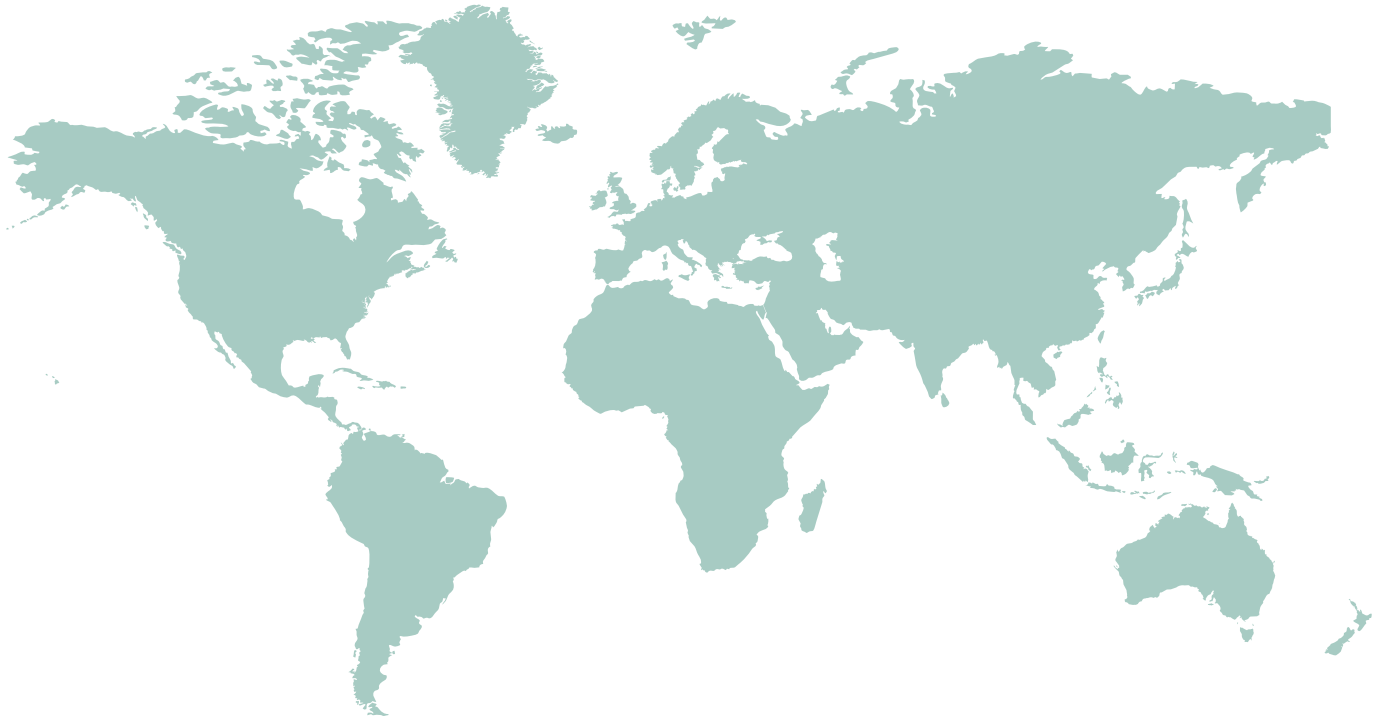
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World's leading data center advisor

+4.000
Data center professionals worldwide

+50
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Managed data centers

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Juan Carlos Barredo
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Turner & Townsend

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Maria Miranda
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Asset Management

Financial Asset Management



Gorka Fuentes
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