North America Data Center Server - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2030

Market Report | 2024-02-17 | 100 pages | Mordor Intelligence

AVAILABLE LICENSES:

- Single User License $4750.00

- Team License (1-7 Users) $5250.00

- Site License $6500.00

- Corporate License $8750.00

Report description:

The North America data center server market reached a value of USD 43.8 billion in the previous years, and it is further projected to register a CAGR of 13.4% during the forecast period. The increasing demand for cloud computing among small and medium-sized enterprises (SMEs), government regulations for local data security, and growing investment by domestic players are some of the major factors driving the demand for data centers in the region.

Key Highlights
-Under Construction IT Load Capacity: The upcoming IT load capacity of the North American data center server market is expected to reach 25,757 MW by 2029.
-Under Construction Raised Floor Space: The country's construction of raised floor area is expected to increase to 88.9 million sq. ft by 2029.
-Planned Racks: The Region's total number of racks to be installed is expected to reach 4.4 million units by 2029. The United States is expected to house the maximum number of racks by 2029.
-Planned Submarine Cables: There are close to 100 submarine cable systems connecting North America, and many are under construction. One such submarine cable that is estimated to start service in 2023 is GigNet-1), which stretches over 1,104 Kilometers with landing points from Boca Raton, United States.

North America Data Center Server Market Trends

IT & Telecommunication Segment Holds The Major Share.

- Demand for cloud-based services is increasing in the United States, Canada, and Mexico. Large-scale companies are increasingly relying on cloud-based technology to manage and reduce their CapEx and OpEx, as well as deal with the expanding amount of data produced by websites and mobile apps.
- The cloud also offers pay-as-you-go options, which enable businesses to pay for cloud services in accordance with how frequently consumers access them, resulting in lower expenses. Since cloud services are available on demand, large-scale organizations are embracing them quickly. In 2022, American Airlines moved customer-facing applications to VMware HCX on IBM Cloud to offer digital self-service features. The North American market for data center servers is expected to grow due to many small and medium-sized businesses adopting cloud-based systems.
- Cloud suppliers have increased their investment in and predilection toward hyperscale data centers since they provide a superior pricing structure and leasing efficiency. For instance, Novva recently announced a USD 1 billion investment into data centers, offering its clients the lowest TCO in the industry hub and edge locations in the United States. Such advancements are expected to boost the cloud segment of the North American data center market.
- Telecom suppliers are further encouraged to invest in the data center business due to the quickly rising 4G adoption and the impending 5G wave. The United States and Canada are among the top countries in the world for 5G adoption, which is a result of operators' aggressive 5G implementation plans and a quickly growing ecosystem of devices and content.
- Moreover, by 2025, operators are expected to have deployed more mid-band spectrum due to increased 5G installations and the increasing overall population coverage to 92% in Canada and 100% in the United States. By that point, 5G will represent almost 280 million connections, or roughly two-thirds of all mobile connections in North America.
- Such developments, the increasing cloud adoption, and the ongoing expansion of the 5G network are, in turn, expected to boost the demand for data centers from the IT and telecom segment, leading to major demand for servers during the forecast period.

United States Holds the Largest Share in the Region.

- Over the past few years, there has been a sharp increase in the demand for data centers in the area due to growing cloud adoption and rising data generation. The major drivers of the expansion of the data center market in the USA are the rising popularity of IoT, the development of 5G networks, the COVID-19 pandemic, and the demand for high-speed streaming of online entertainment content.
- The US Internet penetration rate stood at 92.0% of the total population at the start of 2022, and such a factor focuses on the significant digitization trend. However, recent economic incentives and tax benefits have been significant drivers of data center construction in the country. Approximately 27 states leverage these factors to attract data center projects. Sweeping data center tax exemptions were passed in Illinois as part of its USD 45 billion capital construction budget. The law exempts qualifying data centers from state and local sales tax on the equipment front for the next ten years.
- Furthermore, with tax benefits being crucial to the economy, the American Society of Professional Estimators concluded by attributing an average of 82-85% of initial capital investment incurred toward equipment procurement and installation amid the construction phase. Northern Virginia, Greater Phoenix, and Dallas Metro are some of the prominent regions where planned data center space outpaces every other major metropolitan area. Nearly 15 million sq. ft of space is planned in Northern Virginia, approximately 8 million sq. ft in Greater Phoenix, and over 4 million sq. ft in Dallas space has been planned.
- The enterprise demand side of the market has remained marginally stagnant, generating an average of USD 100 billion in revenues annually as more enterprise-level users are migrating to cloud services to optimize their IT footprint. Their work will span diverse topics, from machine learning for atmospheric and ocean science to speeding up high-energy physics simulations with quantum systems. This is poised to increase the adoption of data centers to help companies drive data-driven decision-making.
- Moreover, the above advancements and the upcoming data center facilities in the country are expected to drive the demand for data center servers in the market. In January 2023, construction began on a new facility for US data center operator EdgeCore Digital Infrastructure in Santa Clara, California. On the intersection of Juliet Lane and Laurelwood Road, the first of two planned

data centers has officially begun construction, and the two-story SV01 will have 255,200 square feet of space and provide 36 MW of IT load capacity.

North America Data Center Server Industry Overview

The upcoming DC construction projects in the country will increase the demand for data center servers in the coming years. The North America data center server market is moderately consolidated with a few major players, such as Dell Inc., Hewlett Packard Enterprise, Lenovo Group Limited, Fujitsu, and Cisco Systems Inc. These major players, with a prominent market share, focus on expanding their regional customer base.

In August 2023, Dell Inc. is transitioning its servers with Next-generation Dell PowerEdge Servers from OSA to ESA with PowerEdge R760 powered by 4th generation Intel Xeon Processors.

In August 2023, Hewlett Packard Enterprise announced that, with cloud HPE ProLiNative RL300 Gen11 servers based on energy-efficient processors from Ampere Computing, PhoenixNAP, the world's leading IT service provider, expanded its bare metal cloud platform. With increased performance and energy efficiency, the expansion of services is intended to support artificial intelligence (AI) inferencing, cloud gaming, and any other workloads based on a "cloud native" architecture. Also, it enables phoenixNAP to provide next-generation computing performance with energy consumption savings.

Additional Benefits:

 - The market estimate (ME) sheet in Excel format
- 3 months of analyst support

Table of Contents:

1 INTRODUCTION
1.1 Study Assumption & Market Definition
1.2 Scope of the Study

2 Research Methodology

3 Executive Summary

4 Market Dynamics
4.1 Market Overview
4.2 Market Drivers
4.2.1 Increasing Adoption of Cloud and IoT Services
4.2.2 Large-scale commercialization of 5G networks
4.3 Market Restraints
4.3.1 Rising CapEx for data center construction
4.4 Value Chain / Supply Chain Analysis
4.5 Industry Attractiveness - Porter's Five Forces Analysis
4.5.1 Threat of New Entrants
4.5.2 Bargaining Power of Buyers/Consumers
4.5.3 Bargaining Power of Suppliers
4.5.4 Threat of Substitute Products

North America Data Center Server - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2030

Market Report | 2024-02-17 | 100 pages | Mordor Intelligence

To place an Order with Scotts International:

 - Print this form

 - Complete the relevant blank fields and sign

 - Send as a scanned email to support@scotts-international.com

ORDER FORM:

Select license	License	Price
	Single User License	$4750.00
	Team License (1-7 Users)	$5250.00
	Site License	$6500.00
	Corporate License	$8750.00
	VAT	
	Total	

*Please circle the relevant license option. For any questions please contact support@scotts-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email* _____   Phone* _____

First Name* _____   Last Name* _____

Job title* _____

Company Name* _____   EU Vat / Tax ID / NIP number* _____

Address* _____   City* _____

Zip Code* _____   Country* _____

Date   2026-03-04

Signature