

South Africa Data Center Market - Investment Analysis & Growth Opportunities 2025-2030

Market Report | 2025-06-03 | 121 pages | Arizton Advisory & Intelligence

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Report description:

The South Africa data center market is expected to grow at a CAGR of 7.86% from 2024 to 2030.

KEY HIGHLIGHTS

- The South Africa data center market became the critical focus for data center investments in 2024. Its commitment to renewable energy is playing a major role in attracting data center investments, as major technology firms seek to minimize their environmental impact.
- Johannesburg is among Africa's major cities with fully established cloud regions. It continues to be South Africa's leading hub for data center expansion, marked by a concentrated growth in advanced facilities, hyperscale data centers, and dedicated cloud regions. In January 2024, Google launched its first cloud region in Johannesburg. Huawei is using its three data centers to extend AI cloud adoption in South Africa.
- As of December 2024, Johannesburg had a network of 15 data centers and 6+ upcoming data centers in the city. The city also has the presence of leading data center providers such as Vantage Data Centers, NTT DATA, Equinix, Open Access Data Centres (OADC), Teraco (Digital Realty), MTN, and Vodacom Business.
- Industrial land prices in South Africa have been growing over the recent years, especially in prime locations, owing to the robust demand and comparatively lesser supply. The average industrial land price in Cape Town varies from \$120-\$140 per square meter, while the average rental rate ranges around \$4 per square meter. Durban and Centurion are also expected to see an increase in data center area in the year 2025.
- Sustainability has emerged as a key trend in expanding data centers across the South African data center market in 2024, driven by global environmental imperatives and local regulatory pressures. Leading players such as Microsoft, AWS, and Google are raising the bar with their sustainability targets, prompting others to follow suit to remain competitive.
- The South African government has been incentivizing data centers to implement additional alternative energy resources, to reduce dependence on the national power grids and prevent operational disruptions.

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-[]South Africa also faces challenges in its energy sector, which include power outages and load shedding due to insufficient generation capacity. The nation's power is heavily dependent on coal-fired plants in the energy grid. More than one-third of the nation's 42,000 MW of electricity is generated by coal-fired power stations.

WHY SHOULD YOU BUY THIS RESEARCH?

- []Market size available in the investment, area, power capacity, and colocation market revenue.
- []Data center investments in the area (thousand square feet) and power capacity (MW) across cities in the country.
- []A detailed study of the existing South Africa data center market landscape, an in-depth market analysis, and insightful predictions about the South Africa data center market size during the forecast period.
- []Snapshot of existing and upcoming third-party data center facilities in South Africa
 - o[]Facilities Covered (Existing): 53
 - o[]Facilities Identified (Upcoming): 10
 - o[]Coverage: 27+ locations
 - o[]Existing vs. Upcoming (Data Center Area)
 - o[]Existing vs. Upcoming (IT Load Capacity)
- []Data center colocation market in South Africa
 - o[]Colocation Market Revenue & Forecast (2021-2030)
 - o[]Wholesale vs. Retail Colocation Revenue (2021-2030)
 - o[]Retail Colocation Pricing
 - o[]Wholesale Colocation Pricing
- []The South Africa data center landscape market investments are classified into IT, power, cooling, and general construction services with sizing and forecast.
- []A comprehensive analysis of the latest trends, growth rate, potential opportunities, growth restraints, and prospects for the market.
- []Business overview and product offerings of prominent IT infrastructure providers, construction contractors, support infrastructure providers, and investors operating in the market.
- []A transparent research methodology and the analysis of the demand and supply aspects of the market.

SOUTH AFRICA DATA CENTER MARKET VENDOR LANDSCAPE

- []The South Africa data center market has the presence of several colocation data center investors, such as Africa Data Centres, Digital Parks Africa, Equinix, NTT DATA, Open Access Data Centres (OADC), Teraco (Digital Realty), Vantage Data Centers, and others.
- []Teraco (Digital Realty), NTT Data, Vantage Data Centers, and Africa Data Centres specialize in wholesale data center services, whereas companies such as Open Access Data Centres (OADC) focus on retail data center services.
- []The majority of the Western hyperscalers are deploying facilities in the South Africa data center market. Cloud operators such as IBM, Microsoft, Oracle, AWS, and Google have all deployed facilities in South Africa.
- []Microsoft is strengthening its position in the South Africa data center market by expanding its infrastructure with new data centers in the region. In March 2025, Microsoft announced its plan to spend USD 300 million on cloud and AI Infrastructure in South Africa by the end of 2027.
- []Teraco (Digital Realty), provider of carrier-neutral colocation data centers and interconnection platforms, has plans to launch 4 data centers in South Africa in 2025-2026, with a cumulative investment of approximately USD 877 million.
- []Being a water-scarce country, liquid cooling systems present a forthcoming challenge in South Africa, necessitating the adoption of an innovative and flexible approach for cooling technologies. The JB7 facility by Teraco (Digital Realty), which is expected to achieve completion by 2026, will feature a closed-loop chilled water system and direct free-air cooling.

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EXISTING VS. UPCOMING DATA CENTERS

- Existing Facilities in the region (Area and Power Capacity)

o Johannesburg

o Other Cities

- List of Upcoming Facilities in the region (Area and Power Capacity)

o Johannesburg

o Other Cities

IT Infrastructure Providers

- Atos

- Cisco

- Dell Technologies

- Fujitsu

- Hewlett-Packard Enterprise

- Hitachi Vantara

- Huawei Technologies

- IBM

- Lenovo

- ZTE

Data Center Construction Contractors & Sub-Contractors

- Abbeydale

- AECOM

- Arup

- B2 Architects

- EDS Engineering

- H&MV Engineering

- Ingenium

- ISF Group

- ISG

- LYT Architecture

- MWK Engineering

- Rider Levett Bucknall (RLB)

- Royal HaskoningDHV

- Tri-Star Construction

Support Infrastructure Providers

- ABB

- Alfa Laval

- Caterpillar

- Cummins

- Delta Electronics

- Eaton

- Evapco

- Johnson Controls

- Legrand

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- Vertiv

Data Center Investors

- Africa Data Centres
- Digital Parks Africa
- Equinix
- NTT DATA
- Open Access Data Centres (OADC)
- Teraco (Digital Realty)
- Microsoft
- Vantage Data Centers

New Entrants

- Paratus Namibia

REPORT COVERAGE:

This report analyses the South Africa data center market share. It elaborately analyses the existing and upcoming facilities and investments in IT, electrical, mechanical infrastructure, general construction, and tier standards. It discusses market sizing and investment estimation for different segments. The segmentation includes:

- IT Infrastructure
 - o□Server Infrastructure
 - o□Storage Infrastructure
 - o□Network Infrastructure
- Electrical Infrastructure
 - o□UPS Systems
 - o□Generators
 - o□Transfer Switches & Switchgear
 - o□PDUs
 - o□Other Electrical Infrastructure
- Mechanical Infrastructure
 - o□Cooling Systems
 - o□Racks
 - o□Other Mechanical Infrastructure
- Cooling Systems
 - o□CRAC and CRAH Units
 - o□Chillers Units
 - o□Cooling Towers, Condensers, and Dry Coolers

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- o Other Cooling Units
- General Construction
- o Core & Shell Development
- o Installation & Commissioning Services
- o Building & Engineering Design
- o Fire Detection & Suppression Systems
- o Physical Security
- o DCIM
- Tier Standard
- o Tier I & Tier II
- o Tier III
- o Tier IV
- Geography
- o Johannesburg
- o Other Cities

TARGET AUDIENCE

- Real Estate Investment Trusts
- Construction Contractors
- Infrastructure Providers
- New Entrants
- Consultants/Consultancies/Advisory Firms
- Corporate and Government Agencies

KEY QUESTIONS ANSWERED:

1. How big is the South Africa data center market?
2. What is the growth rate of the South Africa data center market?
3. How much MW of power capacity will be added across South Africa during 2025-2030?
4. Which all cities are included in the South Africa center market report?
5. What factors are driving the South Africa data center market?

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