U.S. Data Center Colocation Market - Industry Outlook & Forecast 2025-2030

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Report description:

The U.S. data center colocation market size by investment is expected to grow at a CAGR of 14.88% from 2024 to 2030.

US DATA CENTER COLOCATION MARKET TRENDS

Innovation in Power & Cooling Systems and Technological Advancements

-Innovative power and cooling systems are essential in the U.S. due to the growing deployment of high-density AI and cloud workloads, which generate significantly more heat and require greater energy efficiency. As rack densities surpass 20-30 kW, traditional air cooling becomes insufficient, pushing the need for advanced technologies like liquid cooling, modular power architecture, and energy reuse systems to maintain performance while managing operational costs and sustainability targets.
-In January 2024, Aligned Data Centers launched DeltaFlow, a new liquid cooling system and technology. This technology has been designed to support the high-density computing requirements and workloads of up to 300 kW per rack.
-In May 2025, Prometheus Hyperscale agreed with XL Batteries to implement long-duration energy storage systems (LDES) across its data center portfolio. According to the company, the batteries have a lifespan of over 20 years and are fully sustainable, as they do not contain any rare earth metals or minerals.

Adoption of Artificial Intelligence

-The adoption of AI is on the rise across the U.S., with the increasing trend of automation and smart operations. The government has launched several artificial strategies. For instance, in January 2025, the Trump administration unveiled a new AI infrastructure initiative named Stargate, spearheaded by the private sector in collaboration with OpenAI.
-Several data center operators have started developing AI-ready data centers in the U.S. to accommodate AI workloads being rapidly generated by customers of different industry sectors. For instance, in April 2025, Edged has developed a new sustainable data center in Mesa, Arizona, purpose-built for highly efficient AI model training and inference.
-Organizations across the US are placing a strong emphasis on strategic data management to accelerate AI adoption,

acknowledging that data quality and accessibility are critical to the success of AI and machine learning applications. As AI depends heavily on large volumes of clean, well-structured data to generate accurate insights and enable automation, there is a growing need for advanced data center infrastructure.

SEGMENTATION INSIGHTS

- The electrical infrastructure is witnessing several innovations in UPS systems, generators, transfer switches & switchgears, and other electrical equipment. Some of such innovations include HVO fuel for generator sets, which reduces emissions as a measure to curb emissions.
- Additionally, several innovative UPS batteries, such as Nickel-Zinc (NiZn) and Sodium-Ion batteries, are gaining traction in the U.S. data center colocation market due to their high power density, safety, sustainability, and other factors.
- Liquid cooling is becoming a significant trend that major colocation operators are implementing in their data center facilities. It is emerging as a key differentiator for colocation providers as AI and compute-intensive workloads continue to grow. Companies like Equinix, Digital Realty, Aligned Data Centers, and CyrusOne are leading the way by offering scalable and energy-efficient solutions that can support the increasing demands of high-performance computing.

GEOGRAPHICAL ANALYSIS

- Cumulatively, data center operators in the U.S. are expected to add over 23.2 GW of installed power capacity between 2025 and 2030. Southeastern U.S. is likely to lead the market by contributing more than 8.9 GW of this capacity, followed by Southwestern US with over 6.8 GW and Midwestern with over 3.3 GW of installed power capacity. Northeastern is expected to add around 1.3 GW, making it the smallest contributor to this overall growth.
- Southeastern US at present dominates the U.S. data center colocation market, followed by Southwestern US, Midwestern US, Western US, and Northeastern U.S. It accounts for over 50% of the overall data center investments, which highlights its stronghold in the sector. The country witnesses billions in investments from several operators.
- Virginia in the Southeastern region continued to dominate the market in terms of its operational and under-development power capacity this year. Despite challenges related to land and power availability, operators are continually expanding their projects in the region.
- The Northeastern U.S. data center colocation market is projected to experience substantial growth in New York, New Jersey, Maryland, and Connecticut, which will improve connectivity. In May 2025, Aligned Data Centers plans to expand its Quantum Frederick Park campus in Maryland by developing three additional data centers. The company has submitted a request to build three new buildings totaling 1,149,000 square feet (106,746 sqm). The expanded facility will provide 72MW of capacity, with the full four-building campus potentially reaching 264MW.

U.S. DATA CENTER COLOCATION MARKET VENDOR LANDSCAPE

- The U.S. data center colocation market has the presence of prominent operators such as Aligned Data Centers, Compass Datacenters, CyrusOne, DataBank, Digital Realty, Equinix, NTT DATA, QTS Realty Trust, STACK Infrastructure, Vantage Data Centers, and several others.
- The U.S. data center colocation market has a presence of several other prominent colocation operators, such as Applied Digital, American Tower, AUBix, Centersquare, CloudHQ, Cologix, COPT Data Center Solutions, Corscale Data Centers, EdgeConneX, EdgeCore Digital Infrastructure, Element Critical, Flexential, H5 Data Centers, Iron Mountain, PowerHouse Data Centers, Prime Data Centers, Sabey Data Centers, Skybox Datacenters, Stream Data Centers, Switch, T5 Data Centers, 365 Data Centers, and others.
- New Entrants in the U.S. data center colocation market include Ardent Data Centers, CloudBurst Data Centers, Colovore, Crane Data Centers, Edged Energy, NE Edge, Prometheus Hyperscale, Quantum Loophole, Rowan Digital Infrastructure, Tract, and several others.

- In 2024, Equinix held the largest share of colocation revenue in the U.S. data center market, accounting for approximately 10.28% of total revenue. Digital Realty followed closely, capturing around 9.98% of the market share, reflecting its strong presence and competitive positioning in the U.S. colocation landscape.

Prominent Data Center Investors

- Aligned Data Centers
- Compass Datacenters
- CyrusOne
- DataBank
- Digital Realty
- Equinix
- NTT DATA
- QTS Realty Trust
- STACK Infrastructure
- Vantage Data Centers

Other Data Center Investors

- Applied Digital
- American Tower
- AUBix
- Centersquare
- CloudHQ
- Cologix
- COPT Data Center Solutions
- Core Scientific
- Corscale Data Centers
- DartPoints
- DC BLOX
- DigiPowerX
- EdgeConneX
- EdgeCore Digital Infrastructure
- Element Critical
- Flexential
- Fifteenfortyseven Critical Systems Realty (1547)
- H5 Data Centers
- HostDime
- HUT 8
- Iron Mountain
- Netrality Data Centers
- Novva Data Centers
- PheonixNAP
- PowerHouse Data Centers
- Prime Data Centers
- Sabey Data Centers
- Skybox Datacenters

-Stream Data Centers
-Switch
-T5 Data Centers
-TierPoint
-Yondr
-365 Data Centers
-5C Data Centers

New Entrants

-Ardent Data Centers
-CloudBurst Data Center
-Colovore
-Crane Data Centers
-Edged
-NE Edge
-Prometheus Hyperscale
-Quantum Loophole
-Rowan Digital Infrastructure
-Tract

SEGMENTATION & FORECAST

Segmentation by Colocation Type
-Retail Colocation
-Wholesale Colocation
Segmentation by Infrastructure
-Electrical Infrastructure
-Mechanical Infrastructure
-General Construction
Segmentation by Electrical Infrastructure
-UPS Systems
-Generators
-Transfer Switches & Switchgear
-PDUs
-Other Electrical Infrastructure
Segmentation by Mechanical Infrastructure
-Cooling Systems
-Racks
-Other Mechanical Infrastructure
Segmentation by Cooling Systems
-CRAC & CRAH Units
-Chiller Units
-Cooling Towers, Condensers & Dry Coolers
-Other Cooling Units
Segmentation by Cooling Techniques
-Air-based Cooling

-Liquid-based Cooling
Segmentation by General Construction
-Core & Shell Development
-Installation & Commissioning Services
-Engineering & Building Design
-Fire Detection & Suppression
-Physical Security
-DCIM
Segmentation by Tier Standard
-Tier I & II
-Tier III
-Tier IV
Segmentation by Geography
-Southeastern US
-Southwestern US
-Western US
-Midwestern US
-Northeastern US

KEY QUESTIONS ANSWERED:

1.How big is the U.S. data center colocation market?
2.What is the estimated market size in terms of area in the U.S. data center colocation market by 2030?
3.What is the growth rate of the U.S. data center colocation market?
4.How many MW of power capacity is expected to reach the U.S. data center colocation market by 2030?
5.What are the key trends in the U.S. data center colocation market?

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