

Vacancy Rate in Europe's Top Five Data Centre Markets Falls Below 10% for the First Time

2 years ago



The colocation data centre vacancy rate dropped below 10% in Frankfurt, London, Amsterdam, Paris and Dublin (FLAPD) for the first time ever in Q2 2024, amid continued strong demand for space.

According to new research from [CBRE](#), take-up (44MW) exceeded new supply (30MW) for the fourth straight quarter and the vacancy rate fell in Europe's top five data centre markets as a result.

The vacancy rate of FLAPD stands at 9.8% and is expected to fall to 7.9% by year end according to CBRE's data. If that expectation comes to fruition, it will be the fifth consecutive year the vacancy rate has declined.

Hyperscalers interest in colocation data centres remains particularly high, driven by the need to deliver digital services, as well as keeping sought after supply away from their competitors.

However, providers are finding it increasingly difficult to accommodate given a lack of available power and appropriate land in the primary markets of Europe. Data centre construction is increasingly difficult in markets, such as Frankfurt and Amsterdam, where regulation features prominently in development plans.

As a result, take-up regularly exceeds the new supply delivered in most large European metro markets. CBRE anticipates 646MW of new supply to be delivered this year, and for take-up to reach 693MW across the 15 markets tracked by the firm.

Kevin Restivo, Head of European Data Centre Research, said: "Data centre capacity is an increasingly

precious commodity given the considerable demand for space and competition for it. Providers that can secure the necessary resource and build data centres are able to command higher prices for the space.”