

Data Centre Boom Fuelling Building Services Growth

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Building services contractors are increasingly taking the lead on data centre projects, according to the [Building Engineering Services Association \(BESA\)](#).

Findings from a new report into the largest firms in the sector were backed up by an industry roundtable hosted by the Association, which confirmed that more clients were turning directly to building engineering firms to help them deliver these high value projects.

BESA said that UK data centre development had increased dramatically in the past five years, and that the exponential expansion of artificial intelligence (AI) would further boost the market from its current £2.3 billion to £1.1trillion by 2030.

The construction market research firm Barbour ABI also confirmed that data centres represented “the boom segment of 2024” with the value of planning applications almost doubling from the previous year to £2.6bn.

Along with other high-tech sectors, like pharmaceuticals, life sciences, and defence industries, data centres have been able to continue their growth despite wider macroeconomic uncertainty, according to the latest edition of the Association’s annual [Top 30 Contractors’ report](#).

In many such facilities, the building services represent upwards of 60% of the value of the overall project and, therefore, the mechanical, electrical and plumbing (MEP) provider often takes the role of lead contractor, the report added.

Scale Up

“The pace of growth provides significant opportunities for companies to scale up and diversify,” BESA’s technical director Kevin Morrissey told the roundtable in Manchester. “However, the pace of growth is putting pressure on supply chains and our members are facing significant resource constraints in these high demand sectors.”

He added that industry also needed to be mindful of the impact of such rapid development on the environment and natural resources (particularly energy and water consumption), so sustainability was a crucial consideration for every project. One major consideration was how to make better use of waste heat from data centres in neat networks and heat pumps.

The BESA Roundtable, chaired by Remi Suzan, managing director of Gratte Brothers Ltd, debated the role of off-site fabrication in speeding up project delivery and plugging skills gaps, but which also requires more up-front investment than ‘traditional’ project models.

Andy Harrop from Armstrong Fluid Technology explained that off-site fabrication could also help the industry improve its quality control. This is particularly valued by clients in high-value sectors like data centres where precision and close control are critical to long-term efficient operation, he added.

Barbour ABI’s head of analytics Ed Griffiths said the south east and London were the current “hotspots” due to their proximity to sources of energy generation and undersea cables. However, this area is becoming saturated which will lead to expansion in other regions.

He added that the government’s focus on infrastructure development would further fuel this market over the rest of the decade, but would put considerable pressure on planning authorities to adapt.

The roundtable heard that, if they were to take advantage of the opportunities in this sector, building engineering firms would need to address their skills issues, including the difficulty of attracting new talent and managing an ageing workforce.

BESA’s head of skills and policy Stuart Rattray said the Association was investing heavily in addressing this challenge [through the BESA Academy](#) including raising awareness of opportunities in the sector, generating strategies to attract new people, matching training provision to skills needs, and creating more apprenticeship opportunities.

It is also heavily involved in the development of National Occupational Standards and competency frameworks specifically for the data centre sector.

“The discussions at this week’s BESA roundtable underscored the critical role that our industry plays in the data centre sector,” said Suzan. “We are helping to drive innovation, sustainability, and resilience in our digital economy. As the industry continues to evolve, collaboration and forward-thinking strategies will be key to ensuring we meet growing demands efficiently and responsibly.”

The development of data centres and other high value building engineering sectors will be the subject of an in-depth discussion on ‘growing your business’ at [BESA’s Annual Conference](#) on October 16 in London. The full programme is due to be launched next month.