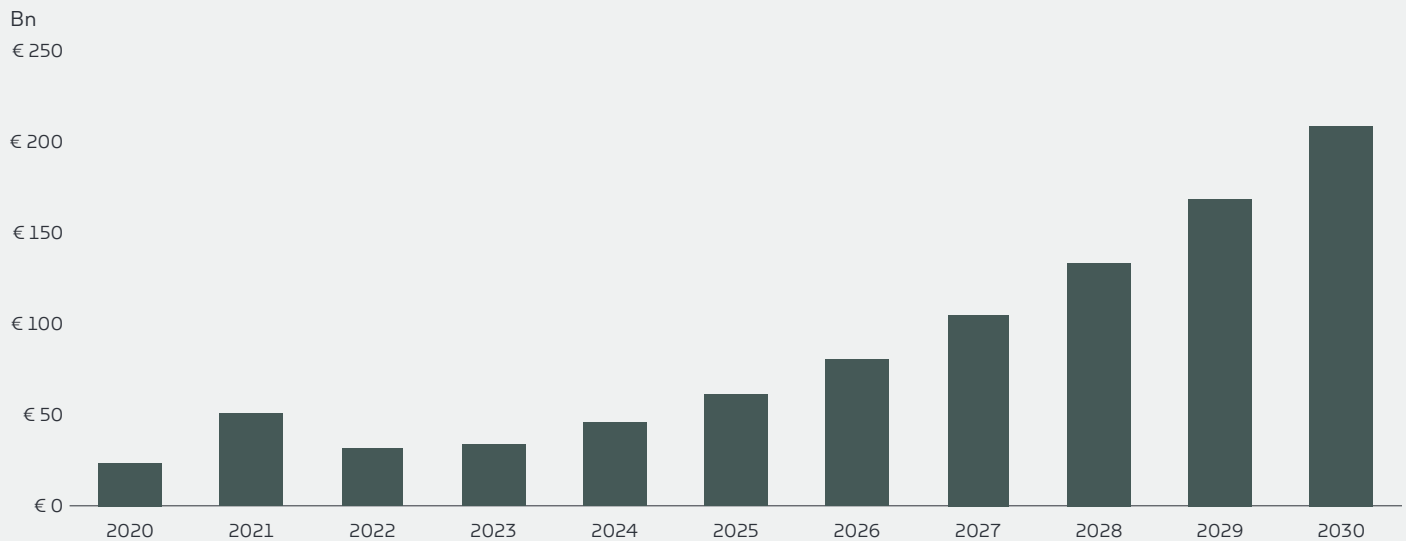


## DATA CENTERS

Driven by the ever-growing need for data storage, computing power, and networking, data centers are large beneficiaries of the expansion in technology. **Artificial intelligence (AI) advancements are projected to significantly drive future data center demand.** The European AI market is expected to reach €57bn this year, up by 32% compared to 2024, and then show an annual growth rate of 28% until 2030.<sup>1</sup> We think there will be opportunities to capitalize on the exponential growth in demand for data center capacity in Europe and believe it pairs well with our existing logistics business.

### MARKET SIZE OF EUROPEAN ARTIFICIAL INTELLIGENCE



Source: Statista, March 2024

The FLAPD markets — Frankfurt, London, Amsterdam, Paris, and Dublin — continue to be the top markets with respect to operational IT capacities. Europe's top five markets combined take-up of data center space (135 MW) exceed the new supply added in Q3 2024 (133 MW). Data center providers are struggling to keep up with strong demand for capacity. This is largely due to the lack of available land and power for data centres in Europe. Vacancy across the five primary markets has fallen below 10% for the first time, marking the third straight quarter that vacancy declined.<sup>2</sup> These markets are facing challenges including limited land availability, power constraints, and stringent sustainability regulations, which has led to the emergence of strong secondary markets where power is more available and hyperscalers can accommodate their immense demand. Examples of strong secondary markets include Milan, Madrid, the Nordics, and Scotland. **Despite an increased number of data center deliveries over the next four years, the European market is expected to remain largely undersupplied.** We believe this will support continued rises in building and rental costs.

**Data center development remains a central pursuit, addressing the critical need between supply and demand fueled by the surge in cloud computing and AI applications.** In the coming years, the demand for data is expected to be substantial, presenting a strategic advantage for platforms ready to serve major cloud providers and hyperscalers with a vertically-integrated investment platform. Data centers appear well-positioned to withstand future uncertainties. The sector benefits from strong growth and with its mission critical role, it is more shielded from potential economic and political headwinds.

Given our experience in assembling a logistics land bank, we see further potential in unlocking data center development opportunities where we can access sufficient power. Our vertically integrated platform allows Affinius and our data center affiliate, Corscale, to control the entire development process, from design and construction to leasing and operations.

1. Statista, Artificial Intelligence Europe. March 2024  
 2. CBRE. Europe Data Centres Figures Q3 2024



**JUSTIN  
HILDEBRANDT**

Senior Managing Director,  
Head of Europe

**justin.hildebrandt**  
[@affiniuscapital.com](mailto:justin.hildebrandt@affiniuscapital.com)



**MAX VON  
BELOW**

Managing Director,  
Global Investors Group

**max.vonbelow**  
[@affiniuscapital.com](mailto:max.vonbelow@affiniuscapital.com)



**KAREN  
MARTINUS**

Senior Vice President,  
Research and Investments

**karen.martinus**  
[@affiniuscapital.com](mailto:karen.martinus@affiniuscapital.com)



**SHAUN  
CONNERY**

Managing Director,  
Head of European Debt

**shaun.connery**  
[@affiniuscapital.com](mailto:shaun.connery@affiniuscapital.com)

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WTC Amsterdam, H-Tower,  
Zuidplein 94, 1077 XV  
Amsterdam, The Netherlands

+31(0)20 235 17 00  
[affiniuscapital.com](http://affiniuscapital.com)