



India | H1 2021

Research Report

# Data Centre Outlook

Insights from key Indian cities

# Hello

The first half of 2021 turned to be mixed bag as continued progress of vaccination and the pandemic resurgence kept the world on toes. Global economy continued its gradual path to recovery on digital highway supported by the data centre industry. Demand for data which picked up pace in 2020, continued to witness firm growth during the first half of 2021. The acceleration of digitalisation has forced enterprises to scale up their IT infrastructure leading to strong demand for colocation/cloud facilities, which offer scalability, security, and connectivity at lower costs.

India witnessed an increase in digital usage post-pandemic due to work-from-home, online education and recreation. Banking and Financial services are adopting hybrid options to meet digital growth, while homegrown video and gaming platforms see robust user growth. Telecom players formulating the roll out of 5G is expected to drive higher data consumption.

This report captures key market trends and strategies adopted by Data centre operators to cater to the strong demand witnessed by the industry during H1 2021. Over the last 6 months, India witnessed joint venture announcements by global investors and data centre operators to setup sites. Investment commitments to the tune of USD 3 billion highlight the growth potential. India's data centre industry is expected to double its capacity and cross the 1GW mark by 2023, driven by strong digitisation and rising cloud demand.

**Rachit Mohan**

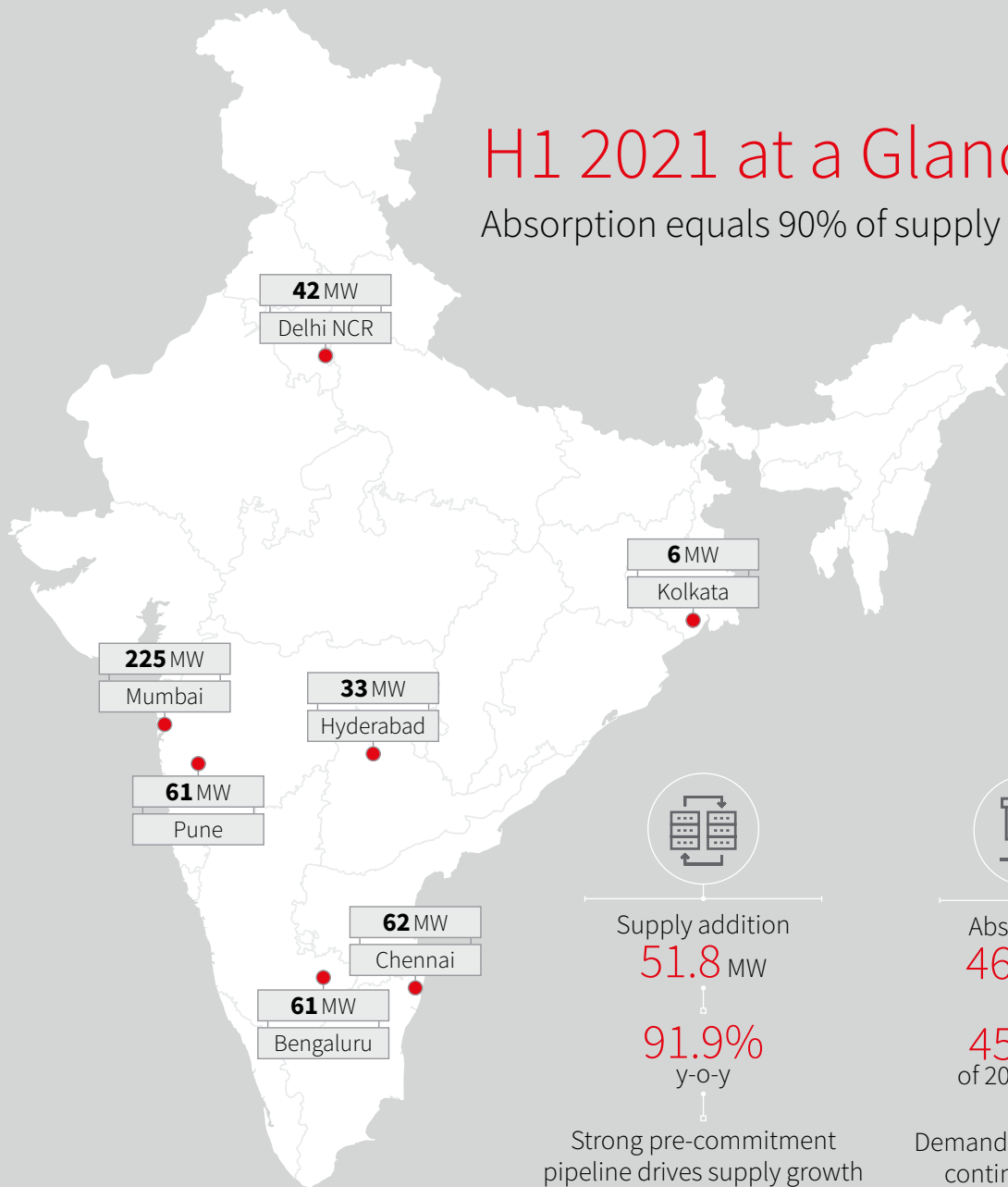
Head, Data Centre Advisory - India

Co-Head, Office Leasing Advisory - Mumbai



# H1 2021 at a Glance

Absorption equals 90% of supply addition



Supply addition

51.8 MW

91.9%  
y-o-y

Strong pre-commitment  
pipeline drives supply growth

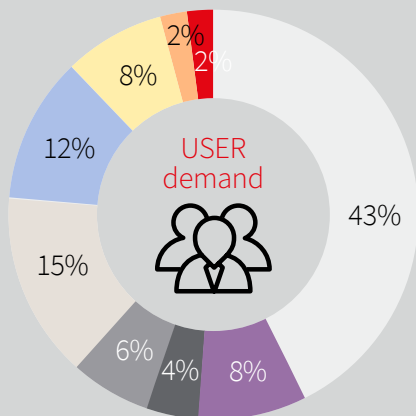


Absorption

46.4 MW

45.5%  
of 2020 levels

Demand momentum  
continues in H1



Cloud Technology Telecom Healthcare  
Banking & Financial Services Retail & E-commerce  
Entertainment & Media Energy Other



12.6%  
vacancy

Strong demand leading  
to lower vacancy levels



508 MW

Supply expected  
during H2 2021-2023

Note:

- City wise IT load capacity as of H1 2021 is indicated in the map.
- Total IT load, across other cities is 9 MW
- Absorption is defined as take up of rack space on lease and operational during the study period

# Key trends

**Strong demand growth:** Acceleration of digitalisation has meant that enterprises have to scale up their IT infrastructure. This has led to strong demand for colo/cloud facilities which offer scalability, security and connectivity at lower costs.



**Rising land banking trend:** Operators are adopting large land acquisition strategy to fulfil the long term requirements of hyperscalers. This would provide the occupiers flexibility in terms of availability zones, fiber pathways and power provisions required for large scale expansions in less time.



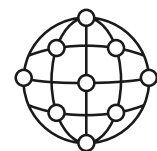
**Getting 5G ready:** The telecom industry has been gearing for rolling out the 5G services as three telecom players have started field trials. As per network analyst firm Ookla, the median downloads speeds are likely to be 10 times faster in 5G as compared to 4G-LTE technology. This will lead to sharp rise in data usage and related applications that would rely on data centres.



**Exponential cloud demand:** Demand has been growing exponentially due to increasing digital usage emerging from distributed workforce, data security and business disruptions. BFSI, IT/ITeS, media and online education which are witnessing a surge in demand have partly adopted cloud services to help their businesses expand seamlessly.



**Investors and global DC players:** Commitments during the last 6 months have increased with investors and operators announcing joint ventures to setup new data centres. Investment commitments to the tune of US\$ 3 bn highlight the growth potential.





# Definitions

**Inventory** of multi-tenant data centre is square footage and power that's either leased (absorption) and turnkey/conditioned available today (vacant).

**Planned** represents remaining square footage and power under roof to be developed in the future into turnkey or conditioned data centre space.

**Total vacant** space represents turnkey/fully conditioned data centre space available for lease.

**Under construction** represents data centre space under roof that is actively being developed/constructed as turnkey/ conditioned space.

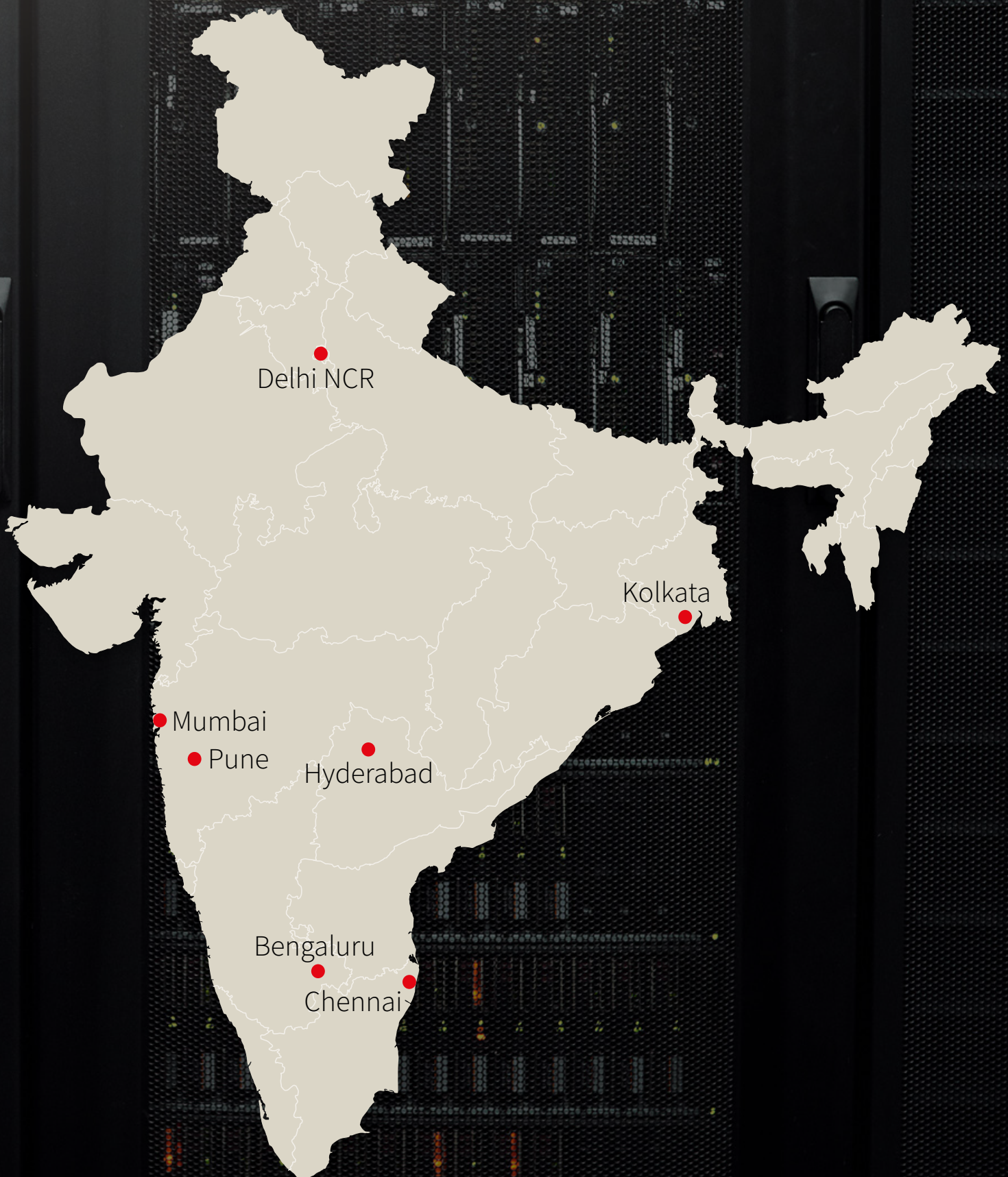
**Absorption (Net)** represents the amount of new multitenant data centre square footage and power leased less the total amount of square footage and power no longer occupied between the current and last measurement periods.

**Monthly recurring charges:** This includes charges for use of rack space, cooling and associated services such as security, available redundancies, humidity control, monitoring, facility management etc. Power consumed is charged basis actual usage, power usage effectiveness ratio and levies by the power utility company.





# Local market insights



# Mumbai



Colo capacity: **225 MW**



Total assets: **28**



Cable landing: **9**

## Market overview



### Supply

- City accounted for 49% share of supply addition
- Operators acquired large land parcels to attract hyperscale occupiers



### Demand

- Cloud players continued to aggressively absorb space
- BF&I and enterprises scaled up requirements during H1 2021



### Outlook

- 305 MW addition expected during H2 2021-2023
- Navi-Mumbai region to witness major DC activity



### Key announcements

- Ascendas India Trust is planning to develop and operate its maiden data centre campus in Airoli, with an estimated investment of USD 162 mn.
- Yondr Group and Everstone Group joint venture are reported to setup its first facility in Mumbai Metropolitan Region, with 30MW by 2023

### Supply

	mn.s.f	MW
Total inventory	4.0	225.0
Total Vacant	0.2	14.0
Under construction H1 2021	0.7	69.8
Planned (2022 & 2023)	2.5	235.6

### Land stage

84.5 acres

### Demand

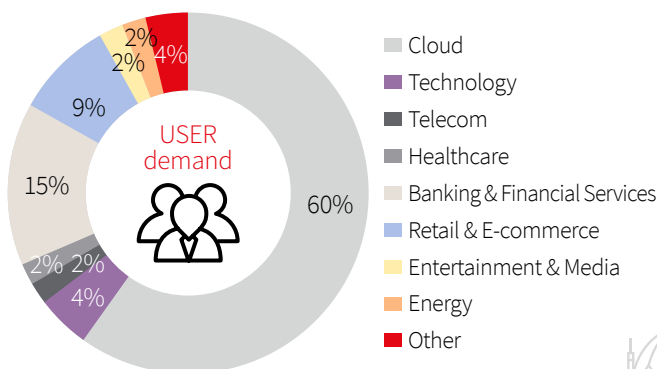
	MW
Net absorption in H1 2021	24.7

### Monthly recurring charges

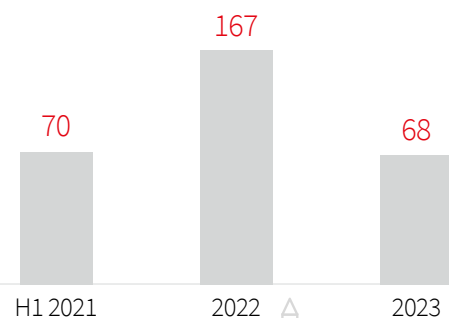
	Low	High
Sub 250 Kw	\$120	\$150
250 Kw-1 MW	\$90	\$125
1-5 MW	\$80	\$105
5 MW plus	\$75	\$100

Note: The above mentioned numbers are based on USD/KW/Month basis available market data on likely achievable rates. The above pricing assumes standard racks between 5kVA - 6.5kVA without any customization.

Source: JLL Research



### Colocation supply pipeline (MW)





# Chennai



Colo capacity: **62 MW**



Total assets: **9**



Cable landing: **4**

## Market overview



### Supply

- 15% of the total DC supply was added during H1 2021
- Expansion at existing locations helping to scale up supply



### Demand

- Demand from e-commerce segment driving absorption
- Hyperscalers are setting up base as part of diversification strategy due to infrastructure availability



### Outlook

- 71.6 MW addition expected during H2 2021-2023



### Key announcements

- State government has reportedly signed MOU with Webwerks and CapitaLand for setting up DCs
- The State government is working on Data Centre policy to provide incentives for the industry

### Supply

	mn.s.f	MW
Total inventory	1.2	62.0
Total Vacant	0.2	9.5
Under construction H1 2021	0.1	18.0
Planned (2022 & 2023)	0.7	53.6

### Land stage

37 acres

### Demand

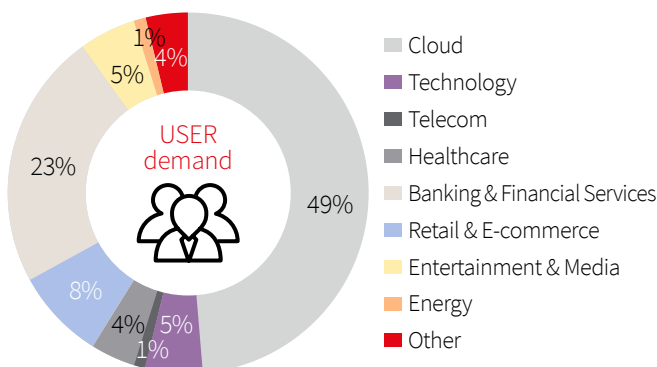
	MW
Net absorption in H1 2021	1.8

### Monthly recurring charges

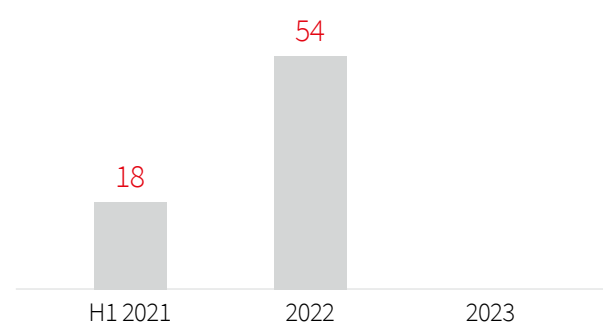
	Low	High
Sub 250 Kw	\$145	\$150
250 Kw-1 MW	\$110	\$130
1-5 MW	\$95	\$100
5 MW plus	\$80	\$85

Note: The above mentioned numbers are based on USD/KW/Month basis available market data on likely achievable rates. The above pricing assumes standard racks between 5kVA - 6.5kVA without any customization.

Source: JLL Research



### Colocation supply pipeline (MW)





# Pune



Colo capacity: **61 MW**



Total assets: **6**



Cable landing: **NIL**

## Market overview



### Supply

- City accounts for 12% share of the total DC capacity
- New supply is driven by pre-commitments from hyperscaler



### Demand

- Cloud continues to be a major demand driver
- Enterprise demand expected to pick up due to rapid digital growth



### Outlook

- High quality supply to attract cloud and enterprise occupiers
- 16 MW addition expected during H2 2021-2023



### Key announcements

- Nxtra Ltd. is reported to be planning tier-IV Data Centre
- A built-to-suit campus for a leading hyperscaler in under construction

### Supply

	mn.s.f	MW
Total inventory	1.1	61.0
Total Vacant	0.0	0.3
Under construction H1 2021	0.15	12
Planned (2022 & 2023)	0.05	4

### Land stage

25 acres

### Demand

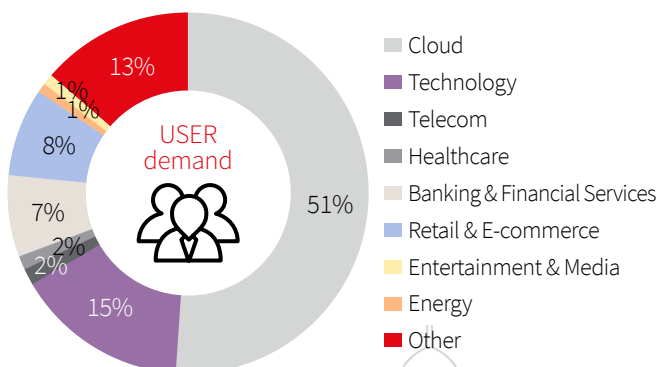
	MW
Net absorption in H1 2021	8.9

### Monthly recurring charges

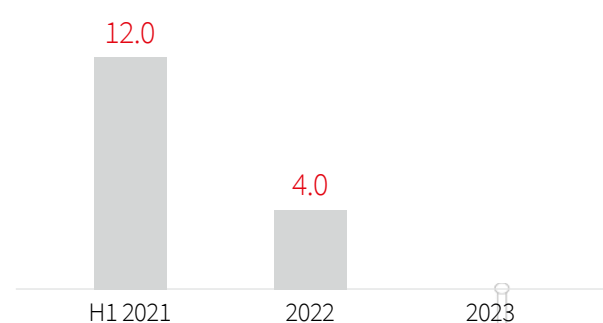
	Low	High
Sub 250 Kw	\$140	\$150
250 Kw-1 MW	\$110	\$125
1-5 MW	\$90	\$95
5 MW plus	\$75	\$80

Note: The above mentioned numbers are based on USD/KW/Month basis available market data on likely achievable rates. The above pricing assumes standard racks between 5kVA - 6.5kVA without any customization.

Source: JLL Research



### Colocation supply pipeline (MW)



# Hyderabad



Colo capacity: **33 MW**



Total assets: **5**



Cable landing: **NIL**

## Market overview



### Supply

- Current DCs accounts for 7% of the total capacity
- State initiatives are expected to attract large self-performance builds



### Demand

- Enterprise demand led to 3.5 MW absorption during the first half
- Built-to-suit demand by cloud players to be driven by state policy initiatives



### Outlook

- 62.4 MW addition expected during H2 2021-2023



### Key announcements

- Microsoft is reported to be planning a new self-build DC in the city

### Supply

	mn.s.f	MW
Total inventory	0.7	33.0
Total Vacant	0.0	1.0
Under construction H1 2021	0.03	4.8
Planned (2022 & 2023)	0.41	57.6

### Land stage

99 acres

### Demand

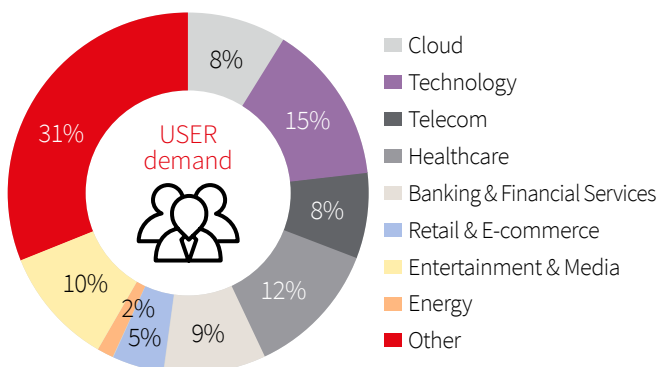
	MW
Net absorption in H1 2021	3.5

### Monthly recurring charges

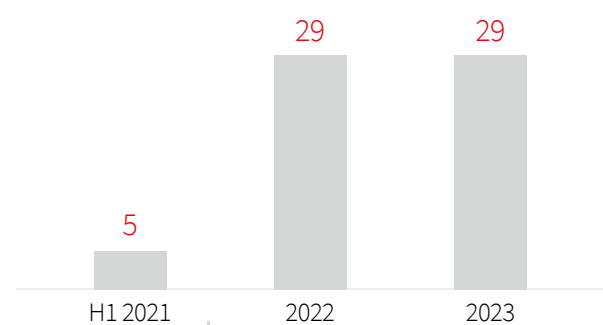
	Low	High
Sub 250 Kw	\$120	\$150
250 Kw-1 MW	\$90	\$125
1-5 MW	\$80	\$105
5 MW plus	\$75	\$100

Note: The above mentioned numbers are based on USD/KW/Month basis available market data on likely achievable rates. The above pricing assumes standard racks between 5kVA - 6.5kVA without any customization.

Source: JLL Research



### Colocation supply pipeline (MW)



\* Hyperscale self-performance capacity has been included in supply  
Note: Conversion rate taken as 1USD = INR 74



# Delhi NCR



Colo capacity: **42 MW**



Total assets: **14**



Cable landing: **NIL**

## Market overview



### Supply

- NCR witnessed 2 MW capacity addition during H1 2021
- Players are land banking to provide options for hyperscalers to make their footprint



### Demand

- Enterprise demand led to 2.5 MW absorption during H1 2021



### Outlook

- Digital initiatives and likely government contracts expected to be key demand driver
- 47 MW addition expected during H2 2021-2023



### Key announcements

- UP state announced Data centre policy with the objective of developing 250 MW Data centre industry
- As per reports, Reliance Jio is planning a 200MW DC campus with \$950 investment outlay

### Supply

	mn.s.f	MW
Total inventory	1.0	42.0
Total Vacant	0.2	10.0
Under construction H1 2021	0.0	6.4
Planned (2022 & 2023)	0.4	40.6

### Land stage

70 acres

### Demand

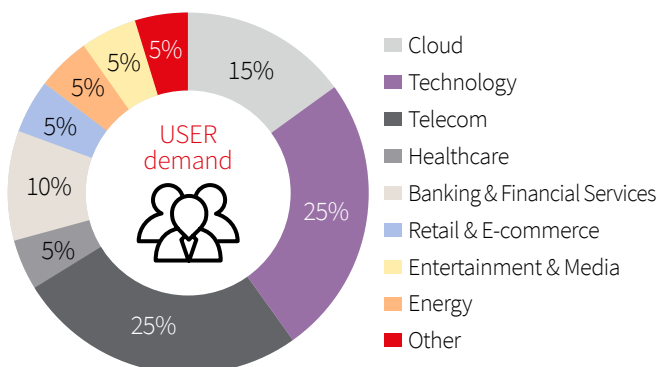
	MW
Net absorption in H1 2021	2.5

### Monthly recurring charges

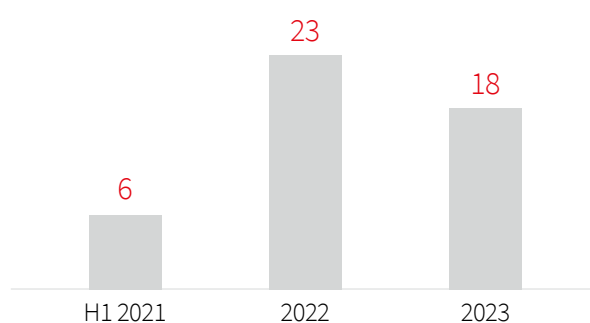
	Low	High
Sub 250 Kw	\$140	\$150
250 Kw-1 MW	\$110	\$125
1-5 MW	\$90	\$95
5 MW plus	\$70	\$80

Note: The above mentioned numbers are based on USD/KW/Month basis available market data on likely achievable rates. The above pricing assumes standard racks between 5kVA - 6.5kVA without any customization.

Source: JLL Research



### Colocation supply pipeline (MW)



Note: Conversion rate taken as 1USD = INR 74



# Bengaluru



Colo capacity: **61 MW**



Total assets: **12**



Cable landing: **NIL**

## Market overview



### Supply

- City accounts for 12% share of total inventory
- 5MW supply was added from existing scalable capacity during the H1 2021



### Demand

- City witnessed net absorption of 5MW from BFSI and IT segment
- Steady demand from startups and e-commerce segment expected during next 2 years



### Outlook

- Demand is expected to be met from existing scalable capacity



### Key announcements

- State is drafting a Data centre policy to consider the requirements of the DC industry

### Supply

	mn.s.f	MW
Total inventory	2.0	61.0
Total Vacant	0.7	21.5
Under construction H1 2021		6.0
Planned (2022 & 2023)		0.0
Land stage	-	

### Demand

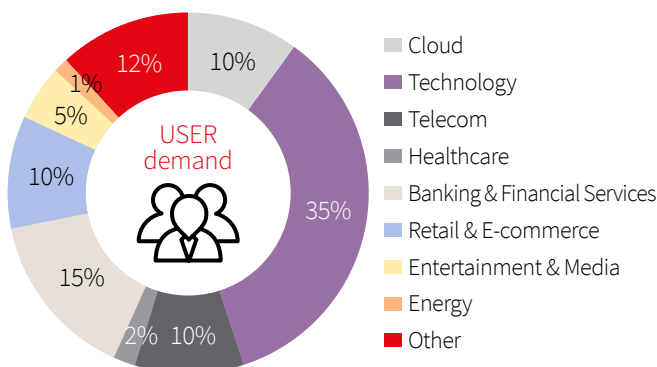
	MW
Net absorption in H1 2021	5.0

### Monthly recurring charges

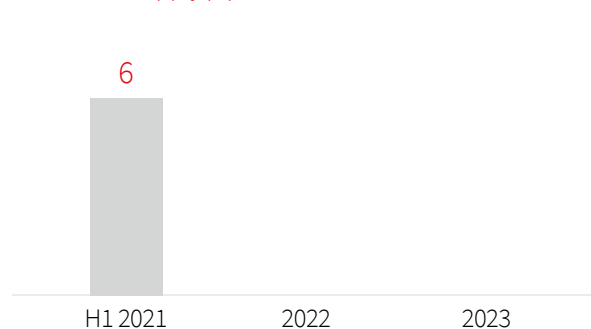
	Low	High
Sub 250 Kw	\$120	\$150
250 Kw-1 MW	\$90	\$125
1-5 MW	\$80	\$105
5 MW plus	\$75	\$100

Note: The above mentioned numbers are based on USD/KW/Month basis available market data on likely achievable rates. The above pricing assumes standard racks between 5kVA - 6.5kVA without any customization.

Source: JLL Research



### Colocation supply pipeline (MW)





# Kolkata



Colo capacity: **6 MW**



Total assets: **3**



Cable landing: **NIL**

## Market overview



### Supply

- 1% share of total inventory
- Key DC location for eastern India and neighboring regions



### Demand

- Demand from telecom and enterprises dominant



### Outlook

- Prospects of new cable landing station expected to provide boost to setting up new DCs in near future



### Key announcements

- IT industry has requested the State government to frame a DC policy with incentives for power supply

### Supply

	mn.s.f	MW
Total inventory	0.1	6.0
Total Vacant	0.0	1.8
Under construction H1 2021	-	-
Planned (2022 & 2023)	-	-
Land stage	63 acres	

### Demand

	MW
Net absorption in H1 2021	-

### Monthly recurring charges

	Low	High
Sub 250 Kw	\$145	\$150
250 Kw-1 MW	\$110	\$130
1-5 MW	\$95	\$100
5 MW plus	\$80	\$85

Note: The above mentioned numbers are based on USD/KW/Month basis available market data on likely achievable rates. The above pricing assumes standard racks between 5kVA - 6.5kVA without any customization.

Source: JLL Research

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### Research enquiries

#### **Dr. Samantak Das**

Chief Economist and Head  
Research & REIS  
[samantak.das@ap.jll.com](mailto:samantak.das@ap.jll.com)

### Author

#### **Jitesh Karlekar**

Director  
Research  
[jitesh.karlekar@ap.jll.com](mailto:jitesh.karlekar@ap.jll.com)

### Media enquiries

#### **Arundhati Bakshi Dighe**

Lead - PR and  
Communication  
[arundhati.dighe@ap.jll.com](mailto:arundhati.dighe@ap.jll.com)

### Design

#### **Sunita Rajeev**

Director  
Marketing  
[sunita.rajeev@ap.jll.com](mailto:sunita.rajeev@ap.jll.com)





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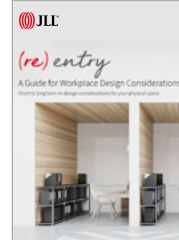
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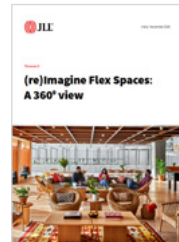
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### For business enquiries, please contact:

All India

**Rachit Mohan**  
Head, Data Centre Advisory  
Practice, India  
rachit.mohan@ap.jll.com  
98337 09160

**Deependra Shukla**  
deependra.shukla@ap.jll.com  
96197 00458

**Priyanka Nagpal**  
priyanka.nagpal@ap.jll.com  
98203 10475

**Pranaypratap. S. Mala**  
pranayprataps.mala@ap.jll.com  
95117 77788

Mumbai

**Benjamin Isaac**  
benjamin.isaac@ap.jll.com  
99200 77109

Chennai

**Dilip Chand**  
dilip.chand@ap.jll.com  
98401 68750

Hyderabad

**Abhishek Chenna**  
abhishek.chenna@ap.jll.com  
+917093821321

Kolkata

**Pooran Punjabi**  
pooran.punjabi@ap.jll.com  
96742 12855

Delhi NCR

**Rajat Kapoor**  
rajat.kapoor@ap.jll.com  
98102 60322

Bengaluru

**Gowri Shankar**  
gowri.shankarS@ap.jll.com  
98805 75158

Pune

**Sharad Mundra**  
sharad.mundra@ap.jll.com  
93710 71911



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