

Ireland's Data Centre Market

Growth Beyond the Grid



2026

Navigating Ireland's evolving data centre landscape as growth, energy and infrastructure become increasingly interconnected

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Foreword



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Ireland’s data centre sector has become one of Europe’s most significant digital infrastructure success stories. Over the past two decades, the country has attracted sustained investment from many of the world’s largest technology companies, establishing a market of international scale and strategic importance. The result was not only a concentration of hyperscale capacity but an enrichment of a wider ecosystem encompassing energy infrastructure, telecommunications and construction.

From a development land perspective, the sector’s evolution provides a compelling case study of how infrastructure demand can reshape land markets. For much of the industry’s growth phase, proximity to Dublin’s power network, fibre infrastructure and skilled workforce were the primary drivers of site selection. As a result, significant land assemblies took place across West Dublin and surrounding counties, creating one of Europe’s most established data centre clusters.

However, the next chapter of growth is likely to be fundamentally different. The central challenge facing the market is no longer occupier demand. Demand remains exceptionally strong, driven by cloud computing, artificial intelligence and ongoing digitalisation. Instead, the defining issue is the availability and management of energy infrastructure in line with Government policy.

This shift is changing how data centre land is assessed, acquired and

developed. For data centre operators and developers today, the availability of power infrastructure, grid capacity, renewable energy resources and the ability to deliver large scale supporting energy assets are becoming equally important considerations. Similarly, the land take requirements have grown dramatically to facilitate this shift with large scale solar and battery storage projects now forming part of data centre planning applications.

In many cases, the energy characteristics of a site may prove more decisive than its proximity to established markets. As a consequence, Ireland is entering a new phase of regional opportunity. Counties that historically sat outside the core data centre geography are increasingly attracting attention due to their renewable energy potential, available land supply and ability to accommodate large scale projects. This presents a significant opportunity for regional landowners, local authorities and institutional owners to participate in the next stage of Ireland’s digital economy.

This report examines how Ireland reached its current position as a leading European data centre market and, more importantly, explores the factors that will determine its future trajectory. While power constraints and Government policy have undoubtedly altered the development landscape, they have also created an opportunity to build a more resilient and sustainable country wide model for long-term growth.

The foundations

Ireland’s rise as one of Europe’s leading data centre markets is the result of more than two decades of investment, policy support and digital infrastructure development. What began as a favourable location for international technology companies has evolved into one of the most concentrated hyperscale data centre markets globally.

Today, Ireland has more than 1.2 gigawatt (GW) of live IT capacity and a development pipeline exceeding 2.1GW, making it the fourth-largest data centre market in Europe. The pace of expansion was particularly strong during the 2010s, when live capacity increased at a compound annual growth rate of 29%. Even since 2020, as power constraints have intensified and a de facto moratorium on new data centre connections in the Dublin region has limited access to grid capacity, the market has continued to grow at around 15% per annum.

This growth did not happen by chance. Ireland was well positioned at the point when cloud platforms began scaling across Europe. It offered a stable operating environment, strong international connectivity, a competitive tax regime, access to skilled labour and a technology ecosystem that had already attracted many of the world’s largest digital businesses.

HYPERSCALERS SET THE PACE

Few European markets have benefited from hyperscale demand to the same extent as Ireland. Amazon Web Services became the first hyperscale operator to bring a major data centre online in Ireland in 2008, followed by Microsoft the following year, Google in 2012 and Meta in 2017.

These early commitments established Ireland as a credible cloud infrastructure location at a time when demand for

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digital services was scaling. Once the first major platforms had committed to the market, the ecosystem began to deepen. Further investment followed from technology companies, colocation providers, network operators, consultants, contractors and power infrastructure specialists.

Hyperscale operators account for 85% of Ireland’s live IT capacity, making the country one of the most hyperscale-led data centre markets globally. Based on publicly disclosed announcements alone, AWS, Google, Microsoft and Meta

have collectively committed more than €5.4 billion to Ireland.

The significance of this investment goes beyond the capacity delivered by individual campuses. Hyperscale demand created market confidence. It gave Ireland long-term credibility as a digital infrastructure location and helped anchor the wider ecosystem that continues to attract occupiers, developers and investors today.

AN ECONOMY BUILT FOR INVESTMENT

Ireland’s success has also been supported by decades of policy designed to attract foreign direct investment. A competitive tax regime, stable regulatory environment and highly educated workforce have made the country especially attractive to international technology companies.

With one of the lowest corporate tax rates in Europe, of 12.5%, Ireland has a significant competitive advantage relative to major markets such as the UK, France, the Netherlands, Italy and Germany.

Cost competitiveness has also played an important role in supporting investment. Dublin remains one of Europe’s most cost-effective locations for data centre development. Average

construction costs total €9.36 million per megawatt (MW), the lowest across the FLAP-D markets and below comparable costs in Amsterdam (€11.17 million), Paris (€11.17 million), Frankfurt (€10.90 million) and London (€10.35 million).

Talent has been another important part of the story. Ireland benefits from one of the most highly educated workforces in Europe. According to the Central Statistics Office (CSO), 58% of the population aged 25 to 34 hold a bachelor’s degree or higher, compared with the OECD average of 45%. This strong talent base, combined with globally recognised institutions such as Trinity College Dublin and University College Dublin, has helped turn Ireland into a petri dish for innovation, supporting the growth of its technology sector and attracting investment from leading global firms.

IRELAND’S GATEWAY ADVANTAGE

Positioned on Europe’s western edge, Ireland serves as a strategic gateway between North America, the UK and mainland Europe. The country’s digital connectivity is underpinned by 14 submarine cable landing points, providing direct links to these major

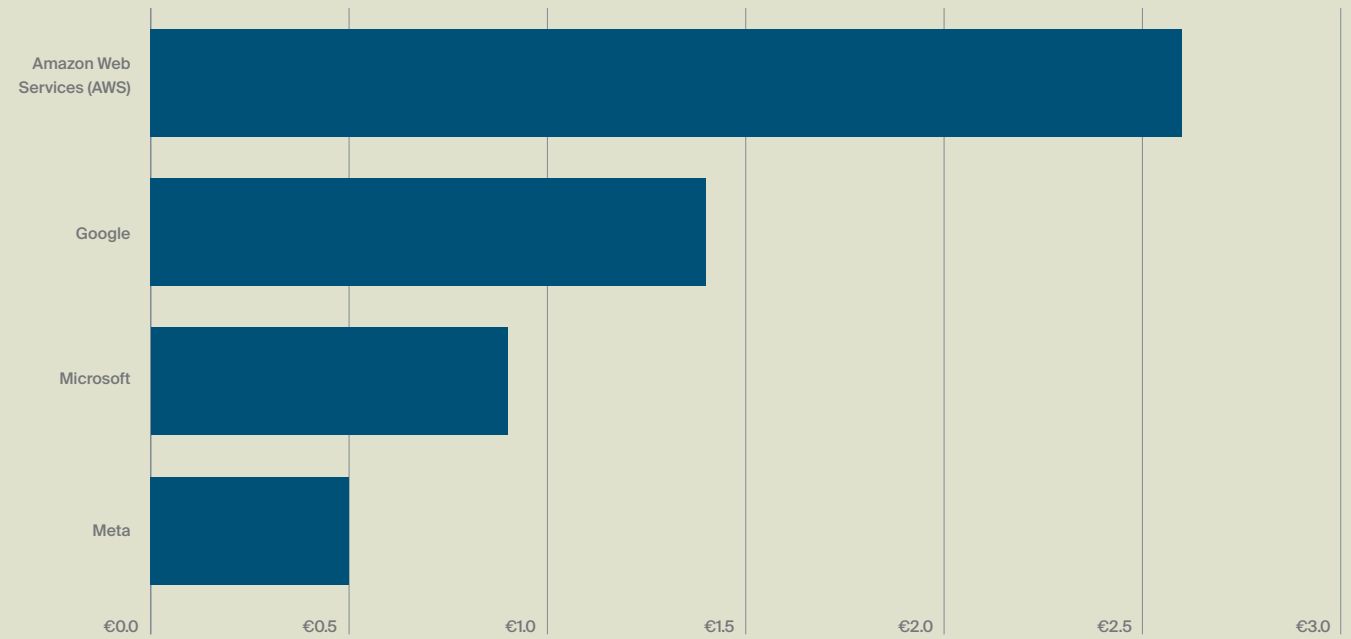
international markets. Around three-quarters of all subsea cables in the Northern Hemisphere pass through or close to Irish waters. Further investment is planned, including Far North Fiber – the first Japan to Europe subsea cable – and a proposed subsea link between Ireland and France. Hyperscale operators are also increasingly investing directly in cable infrastructure, with Amazon, Microsoft and Meta all backing subsea cable projects connecting Ireland with the United States and other European markets.

The question today is no longer how Ireland reached this position. It is how the market grows from here.

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€5.4bn of ‘Big Tech’ investment committed to Ireland

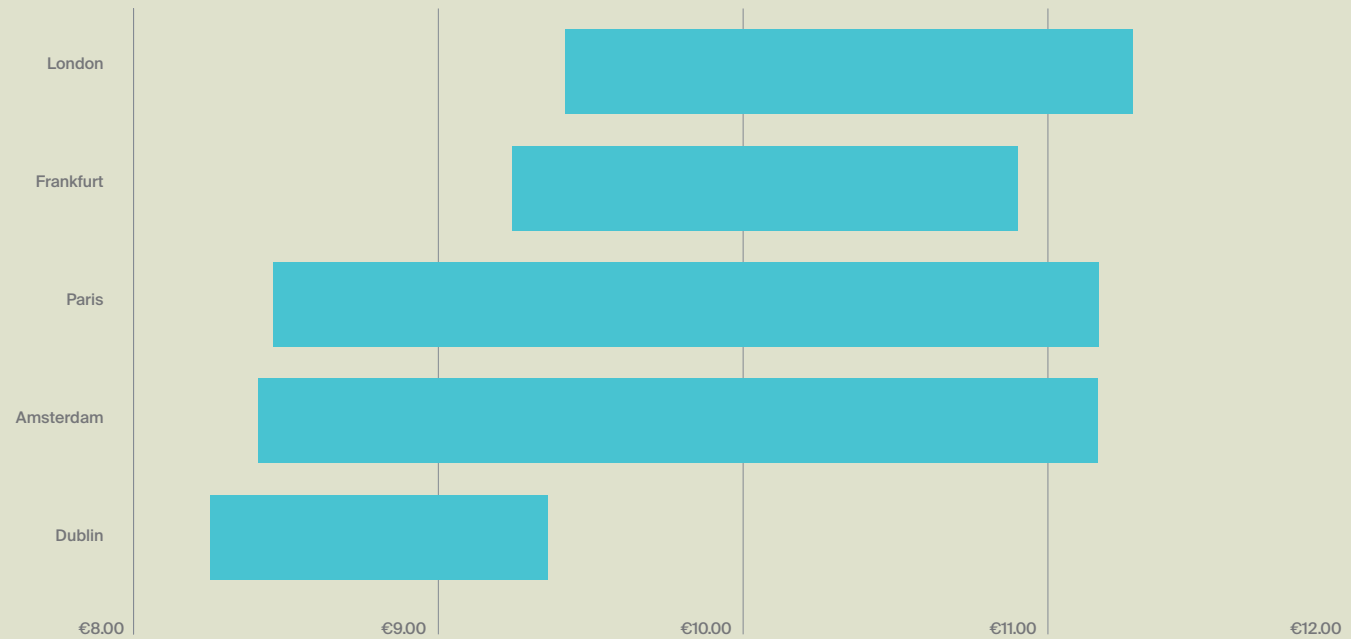
Publicly disclosed investment commitments (€ billion)



Source: Knight Frank Insight

Dublin has the lowest data centre build costs among Europe’s major markets

Data centre build cost range (€ million per MW)



Source: Knight Frank Insight

The market at a turning point

Occupier demand, fibre connectivity and site availability remain important, but they are no longer the only factors shaping the market. Increasingly, the focus is on how new capacity can be delivered alongside the requirements of the electricity system. In that sense, Ireland’s data centre market is entering a new more complex phase, where energy infrastructure is becoming as important as digital infrastructure.

POWER CHANGES THE RULES

It may sound repetitive, but that reflects the reality of Ireland’s data centre market. Whether the discussion is about planning, sustainability, public sentiment or future development, it increasingly returns to the same issue: energy. Data centres accounted for 23% of Ireland’s electricity consumption in 2025, placing the sector under greater public and regulatory scrutiny.

Proposed developments have attracted growing levels of local opposition, while media coverage has frequently highlighted concerns around electricity demand and the perceived competition between data centres and other users of the power network.

In November 2021, the Commission for Regulation of Utilities directed EirGrid and ESB Networks to assess new data centre connection applications against criteria including local grid constraints, onsite generation capability and demand flexibility. This created what many in the industry regarded as a de facto moratorium on new connections in the Dublin region. Projects continued to attract occupier interest, but many faced revised timelines, delayed connection agreements and uncertainty over power availability.

Since then, the policy environment has become clearer. The Large Energy Users Connection Policy, published in December 2025, established a more defined route to grid connection for large electricity users. Under the new regime, data centre developments above 10MVA are generally expected to provide dispatchable generation and/or energy storage capacity equivalent to their requested import capacity, either onsite or nearby. They must also demonstrate a pathway to sourcing at least 80% of annual electricity demand from new renewable energy projects in Ireland.

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“Data centre operators have now contracted more than 1.5GW of renewable energy capacity in Ireland through PPAs.”

Although these requirements have increased the complexity of delivery, they have also brought greater clarity to a market that had faced several years of uncertainty around connection approvals.

FROM POWER USER TO ENERGY PARTNER

Sustainability was becoming increasingly important to Ireland’s data centre market long before grid connection requirements formally linked development to renewable energy and security of supply. As operators pursued ambitious net-zero commitments, many turned to Corporate Power Purchase Agreements (PPA’s) partnering with renewable energy developers to secure long-term clean power while

helping to bring forward capacity across Ireland.

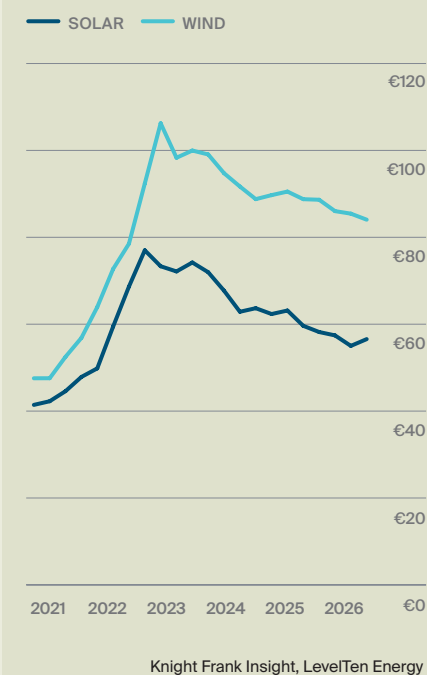
Data centre operators have now contracted more than 1.5GW of renewable energy capacity in Ireland through PPAs. Microsoft has made the largest commitment, signing agreements covering more than 900MW of wind and solar capacity. AWS, Google and Meta have also played an important role in supporting new renewable projects across the country.

The commercial case for this approach is strengthening. Irish wholesale electricity prices currently range from €167/MWh to €328/MWh, including taxes and fees, according to Eurostat. Pricing varies significantly by consumption level, with larger electricity users typically benefiting from lower unit costs. By comparison, average European solar PPA prices stood at approximately €57/MWh in Q2 2026, less than half the average Irish wholesale electricity price recorded over the same period, according to LevelTen Energy’s European PPA Price Index. For operators, PPAs can provide greater cost certainty, reduce exposure to wholesale market volatility and help

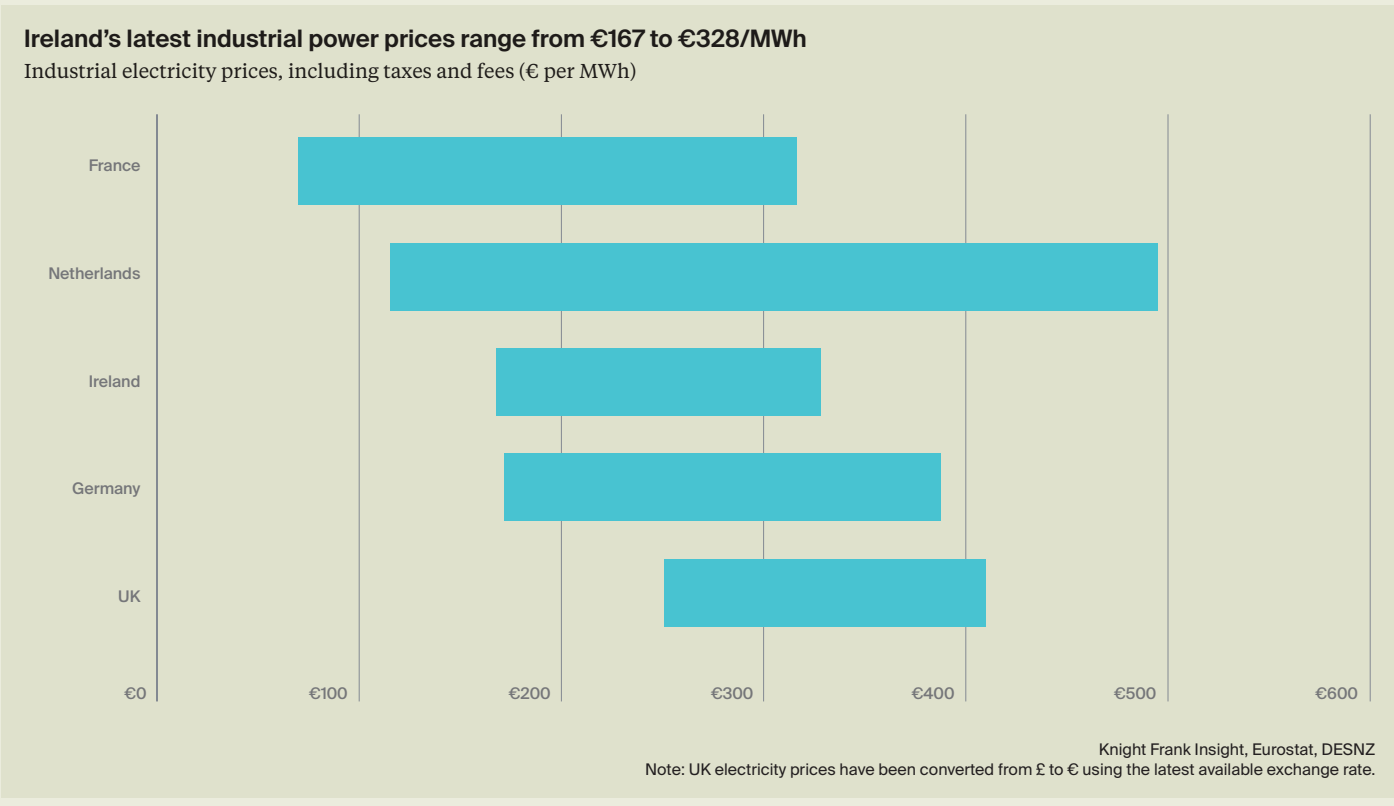
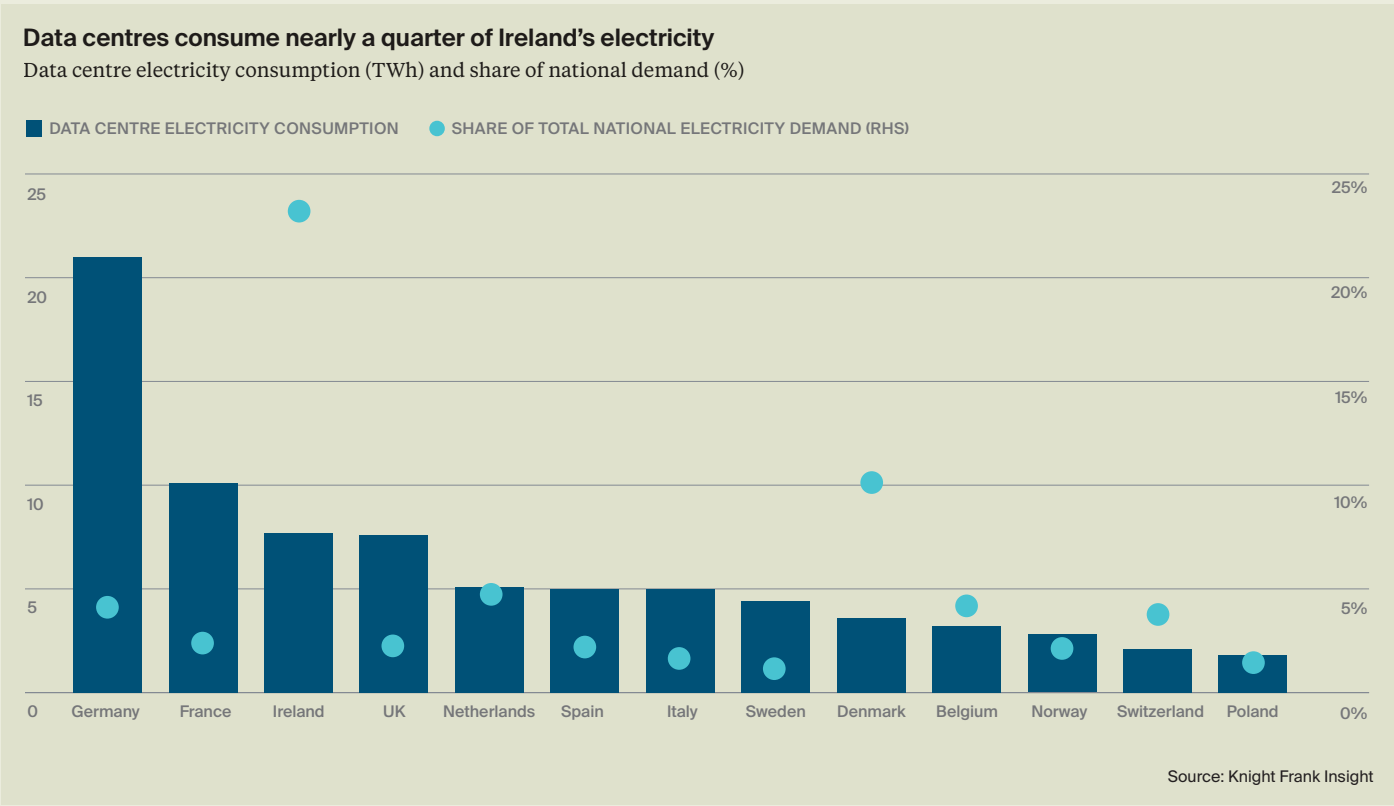
support the additional renewable generation needed to power future growth.

Renewable energy procurement costs continue to ease

Market average Power Purchase Agreement (PPA) prices in Europe (€ / MWh)



Knight Frank Insight, LevelTen Energy



Growth beyond the grid

Ireland’s growth story is far from over. Knight Frank forecasts that live IT capacity will exceed 2GW by 2030, adding almost 1GW over the next five years. Demand from cloud computing, artificial intelligence and wider digitalisation continues to support expansion, while Ireland’s already established ecosystem of hyperscalers, network providers and technology firms remains a significant competitive advantage.

The path to 2GW, however, will look different from the journey to the first. For much of the last two decades, growth was concentrated around Dublin, where operators could access power, connectivity and skilled labour in a single location.

However, this next phase of growth will be defined by four closely linked trends: operators taking greater responsibility for their own energy infrastructure, renewable energy becoming a source of competitive advantage, development expanding beyond Dublin and a growing focus on real-time energy management.

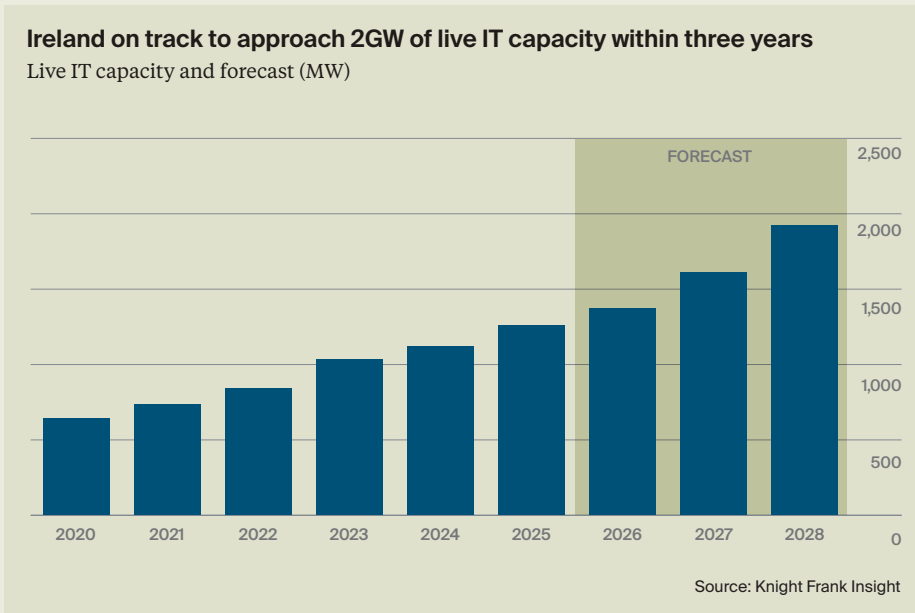
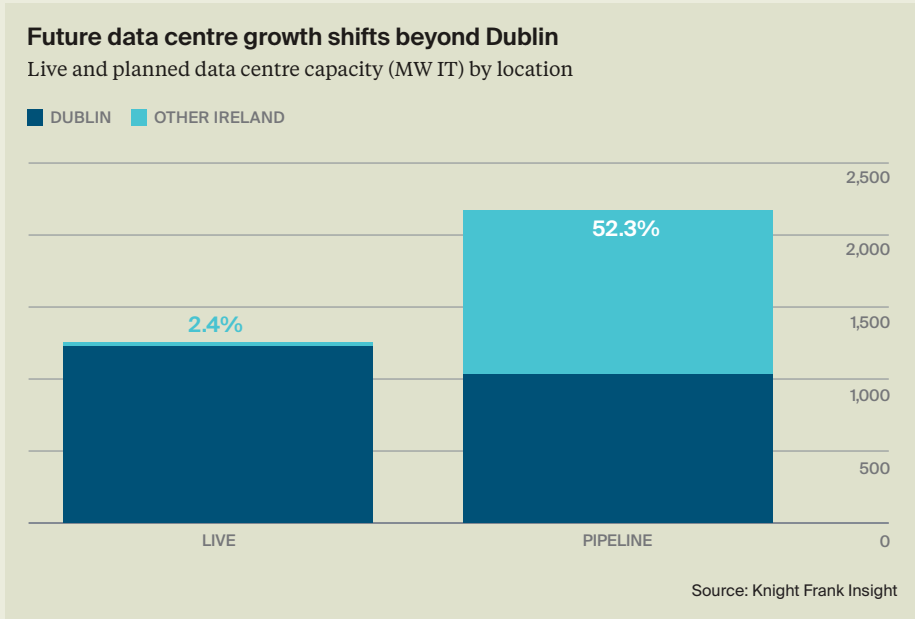
FOLLOWING THE POWER BEYOND DUBLIN
Dublin will remain Ireland’s dominant data centre market. Its concentration of existing capacity, fibre networks, cloud infrastructure and technical expertise gives it advantages that are unlikely to be replicated elsewhere. However, more than half of Ireland’s development pipeline is located

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outside the capital, with regional markets accounting for more than 1.1GW of planned capacity.

This is not unique to Ireland. Many data centre markets across Europe have reached a stage where electricity infrastructure, rather than customer demand, becomes the primary constraint on growth. In Amsterdam, for example, power and planning

constraints within the municipalities of Amsterdam and Haarlemmermeer have encouraged development into locations such as Utrecht, Middenmeer and Groningen, while remaining connected to the wider Amsterdam ecosystem. In London, operators increasingly targeted Slough, Hayes and other West London submarkets before expanding further away as



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available power became more difficult to secure. In Frankfurt, market growth and increasing pressure on grid infrastructure have driven expansion beyond traditional clusters into locations such as Offenbach and Hanau, where larger sites and power availability can support future development.

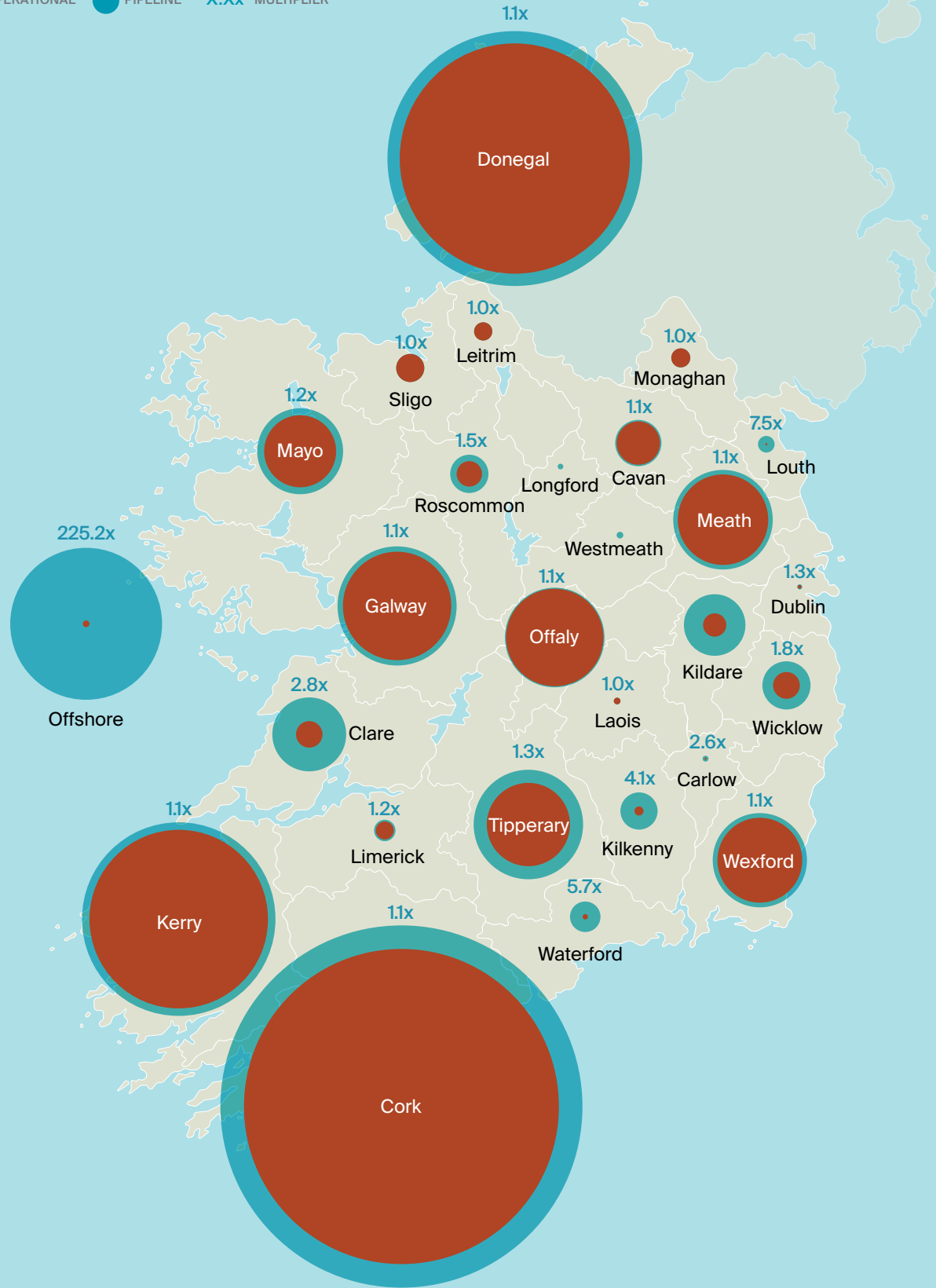
BRING YOUR OWN POWER
For much of Ireland’s data centre history, securing a grid connection and procuring power from the market was sufficient. That model is changing. Operators, and policy, are moving towards a more integrated approach, what could be described as a “bring your own power” model. Instead of relying solely on conventional grid connections, operators are increasingly considering a combination of long-term renewable PPAs, onsite or nearby dispatchable generation, battery storage, private substations and dedicated energy infrastructure to support future developments.
Energy is no longer a secondary operational issue to be addressed after planning approval or site acquisition. Our analysis of Ireland’s National Planning Application Database shows that more than 60% of data centre

applications submitted over the last decade referenced substations, transformers, grid connections or other high-voltage infrastructure. More than half included backup generation, while around one-fifth incorporated onsite gas-powered generation or dedicated energy centres.
We are already starting to see the direction of travel as authorities apply greater scrutiny to large-scale schemes. Echelon Data Centres’ DUB20 campus in Arklow, which first applied for a grid connection in 2019, secured a connection agreement in late 2024 and is supported by a new 220kV substation currently under development. EdgeConneX’s planned 30MW data centre in Dublin, originally submitted for planning in 2022, received approval in 2025 subject to conditions, including a requirement for standby generation to operate on renewable fuel sources.

Offshore renewable capacity forecast to grow more than 225x from current levels

Operational and pipeline wind and solar capacity by county (MW)

OPERATIONAL PIPELINE X.Xx MULTIPLIER



Source: Knight Frank Insight

The distinction between digital infrastructure and energy infrastructure is becoming increasingly blurred. Knight Frank's Active Capital Survey 2026 found that 19% of investors are planning to increase their allocation to infrastructure, and among this group, 85% identified data centres as a target sector. Data centres are increasingly being viewed alongside energy generation as part of a broader real assets' strategy.

RENEWABLES BECOME A COMPETITIVE ADVANTAGE

Ireland is particularly well positioned for this shift, given the scale of renewable energy development underway across the country. While much of the operational data centre market remains concentrated in Dublin, the renewable energy pipeline is far more geographically diverse. Our analysis shows significant growth in planned renewable generation across a number of counties. Waterford's pipeline is equivalent to almost six times its existing operational capacity, while Kilkenny is expected to expand more than fourfold. Counties including Longford and Westmeath currently have limited operational

renewable generation but host sizeable development pipelines. The greatest opportunity lies offshore. Ireland currently has just 25MW of operational offshore renewable generation, but more than 5.6GW is planned. If delivered, this could significantly expand the pool of renewable energy available to support future digital infrastructure growth.

This matters because renewable energy is increasingly becoming a location factor in its own right. Markets such as the Nordics have already demonstrated how abundant renewable generation can attract hyperscale investment. Ireland's renewable pipeline positions it to do the same, provided that renewable generation, grid infrastructure and data centre development can be brought forward in a coordinated way.

SHIFT TOWARDS REAL-TIME ENERGY MANAGEMENT

Future sustainability requirements may require data centres to align renewable energy procurement more closely with actual electricity consumption. In March 2026, the European Commission published draft sustainability reporting requirements

that place greater emphasis on 15-minute renewable energy matching. While implementation remains dependent on the availability of granular Guarantees of Origin across Member States, the proposal signals a broader shift away from annual renewable energy accounting towards real-time energy management.

For operators, this would place greater importance on technologies capable of responding to fluctuations in both supply and demand. Battery storage, demand response and dispatchable generation are therefore likely to become the norm. For Ireland, this is particularly relevant. A market with strong wind resources, growing solar deployment and a substantial offshore pipeline could benefit from operators that are able to act flexibly within the energy system.

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Our Service Lines



VALUATION

Dedicated Data Centre Valuation team service and advice to operators, landowners, major institutional investment houses and real estate companies across EMEA and APAC.

Valuation resources available in all the major and emerging markets, working closely with our international occupier and capital markets team's platforms.



DEVELOPMENT

The Data Centre Development team have the benefit of utilising the firm's unrivalled global industrial and land advisory network.

The Development team have built a market leading site sourcing application, acquiring and disposing of data centre development sites on behalf of Landlords and Operators/ Cloud providers, respectively.



INVESTMENT

The Data Centre Investment team also benefit from Knight Frank's Capital Markets network.

The team focuses on working with institutional investment houses, private equity and private landlords in acquiring and disposing rentalised Data Centre assets and portfolios as well as acquiring and disposing existing operational platforms.



OCCUPIER

The Occupier Advisory team provide colocation acquisition and renewal services across the world.

The team have extensive global expertise representing clients in 56 countries acquiring over 180 MW of IT capacity and as a result hold strong relationships with major operators in Tier 1 and emerging markets.



INSIGHT

The Knight Frank Insight team offer global industry leading data centre research.

The team collect detailed statistics and create forecasts with analysis covering global major and emerging markets.

Knight Frank is a trusted consultancy partner producing bespoke due diligence and market reports for major investors, lenders and developers.

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