Former Sipson Garden Centre, Sipson

Data Centre Needs Assessment and Economic Benefits Statement

October 2026

savills

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1 Introduction

1.1 Introduction and Purpose

1.1.1 This report has been prepared by Savills Economics on behalf of VIRTUS Data Centres (the 'Applicant') in relation to their site at the Former Sipson Garden Centre in Sipson (the 'Subject Site') for data centre development. It should be read in conjunction with the Planning Statement and Alternative Sites Assessment submitted in support of the Outline Planning Application.

1.1.2 The purpose of this report is to provide an evidence-led assessment of the need for the Proposed Development, as defined in the Planning Statement. Data centres are critical to the functioning of the modern economy, supporting cloud computing, artificial intelligence, data storage and the wider digital services relied upon by businesses, households and public services. The report therefore seeks to demonstrate that there is an immediate and substantial need for additional data centre capacity within the Study Area / Hayes Availability Zone (HAZ), and that the Proposed Development is essential to help meet this need.

1.1.3 The report also provides an estimate of the economic benefits generated by the proposed development, in terms of construction and operational jobs, GVA, and public sector revenues. This analysis consequently demonstrates the level of economic benefits associated with the Proposed Development.

1.1.4 In doing this, the report:

- sets out the role, typologies and operational requirements of data centres;
- reviews the increasingly supportive national policy context for data centre development;
- explains the importance of data centres to the UK economy, particularly in relation to cloud computing, AI and the digital economy;
- assesses the strength of the London Availability Region and Hayes Availability Zone (where the Proposed Development is located) as data centre locations;
- estimates future data centre demand within the Study Area;
- reviews the existing and future pipeline of data centre supply; and
- compares future demand against identified supply to establish the scale of the need shortfall.

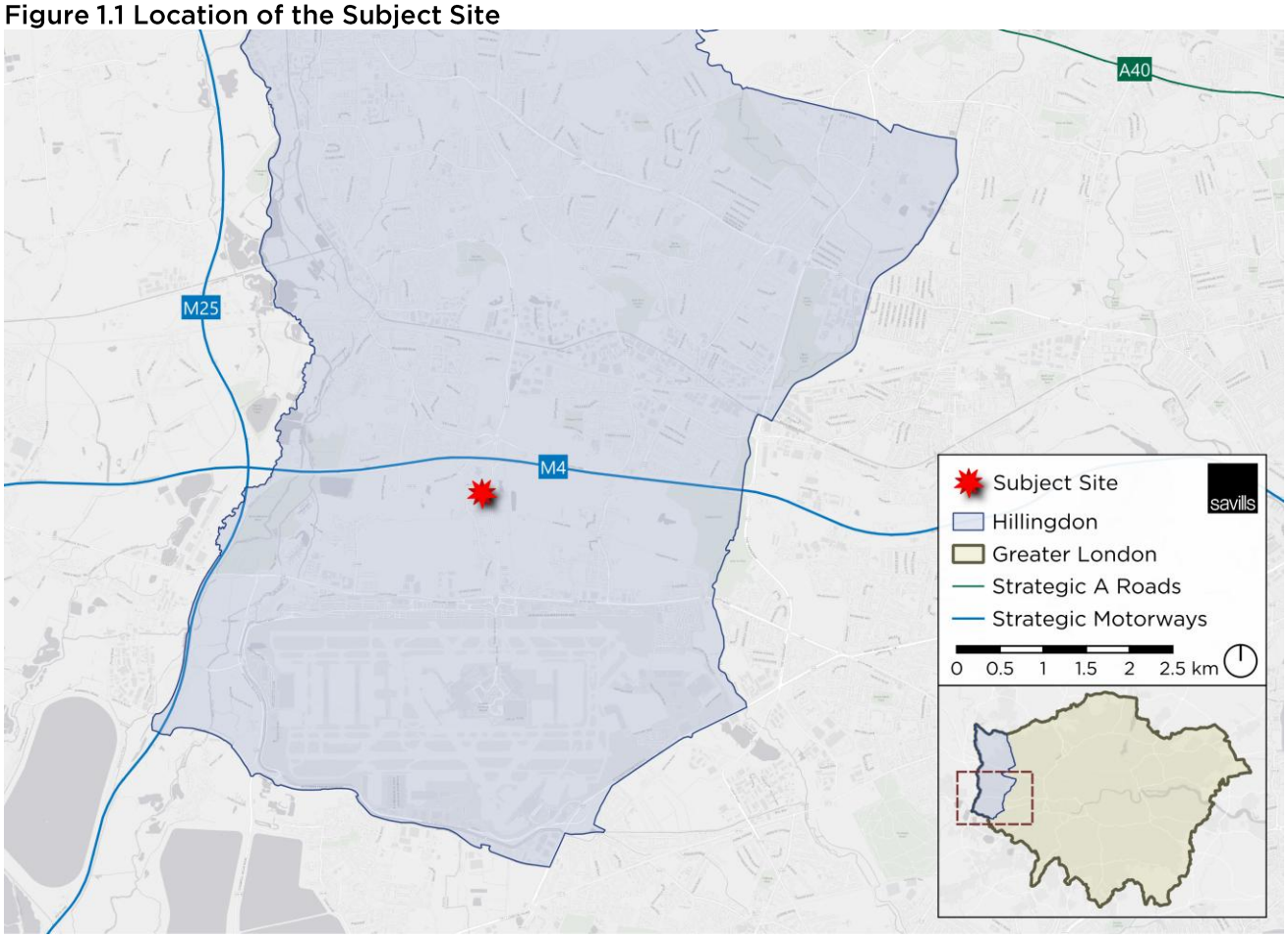
1.1.5 Overall, the report demonstrates that the Proposed Development would deliver critical national infrastructure in a high demand location, helping to address a significant need shortfall whilst supporting the growth, productivity and resilience of the UK economy.

1.2 The Subject Site

1.2.1 The Subject Site extends to approximately 6.9 ha and is located within the administrative

boundary of Hillingdon Council (HC). **Figure 1.1** below presents the location of the Subject Site.

Figure 1.1 Location of the Subject Site



Source: Savills (2026).

2 Data Centre Sector Overview

2.1 Introduction

2.1.1 This section explores the key trends in the data centre sector, the contribution it makes to the wider economy, and what is driving demand for this 'Critical National Infrastructure'.

2.1.2 Data centres play a crucial role in modern digital infrastructure by housing the physical hardware, such as servers and networking equipment, that store, process, and manage vast amounts of data. They have become increasingly important to the functioning of a modern economy in recent years, especially with the rise of the digital economy, cloud computing and Artificial Intelligence (AI). It is for this reason that the Government recognise data centres as Critical National Infrastructure, as detailed below in **Section 2.5**.

2.2 Data Centre Typologies

2.2.1 There are four broad data centre typologies based on their purpose, ownership, size, and location. Each type of data centre serves specific business needs and operational requirements. They include:

- **Enterprise Data Centres** - These are owned and operated by individual companies to support their internal IT infrastructure. Enterprise data centres are typically built to serve the specific computing and storage needs of a single organisation. They are often located on-premises or near the company's headquarters.
- **Colocation Data Centres** - Colocation data centres (or 'colos') allow businesses to rent space within a data centre, rather than building their own. These centres offer shared infrastructure such as power, cooling, physical security, and network bandwidth.
- **Edge Data Centres** - These data centres tend to be smaller in scale and provide their customers with the benefit of lower latency[1]. The point of being at the "Edge" is to deploy servers near to the end users to reduce network costs and latency by requiring a shorter distance for data to travel.
- **Hyperscale Data Centres** - Large-scale operations designed for robustness and scalability. These data centres support big data analytics, cloud services, and streaming services, and are typically operated by major cloud providers and large tech companies including Google, AWS and Microsoft. **The Proposed Development is for a Hyperscale Data Centre.**

The Rise of Hyperscale

2.2.2 There has been a shift in the data centre industry from traditional enterprise models (serving one business) to colocation and hyperscale due to the growing demand for scalability, efficiency, and cost-effectiveness driven by cloud computing, big data, and AI workloads. Hyperscale Data Centres are designed to support massive and rapidly growing computing needs by using standardised, modular infrastructure. This enables them to scale up quickly,

[1] Low latency in relation to data centres means minimising the time it takes for data to travel between a user's device and the data centre (and back again)

reduce operational costs, and maximise energy efficiency.

2.2.3 Hyperscale Data Centres have access to larger quantities of power, more efficient cooling, and more space for redundancy features such as back-up generators. This means they are more efficient and effective for cloud-based operations, better suiting cloud service providers. Hyperscale Data Centres are also best placed to support technologies like Artificial Intelligence, machine learning, and big data analytics due to their vast data storage and processing power.

2.2.4 As a result of the above trends, Hyperscale Data Centres have grown from 39% of total traffic within all data centres globally in 2016 to an estimated 55% by the end of 2021[2]. Recent global investment projections reinforce this trend: the Hyperscale Data Centre market is expected to grow from US$184.5 billion globally in 2023 to US$304.7 billion by 2029, reflecting a Compound Annual Growth Rate (CAGR) of 8.72%[3]. As a result of the data centre market in the UK being more established, the shift towards hyperscale data centres is more advanced in the UK when compared to the global average. **This steady upward trajectory underscores the Proposed Development's critical role in delivering the hyperscale capacity needed to meet growing demand. The Proposed Development for a Hyperscale Data Centre is in direct response to this growth.**

2.3 General Requirements of Data Centres

2.3.1 Whilst the Proposed Development is for a hyperscale data centre, there are several requirements common across most data centre typologies as follows:

- **Access to Power** - In their simplest form, data centres use electricity to enable the computing power, and as such access to power is critical to their operations. Data centres use a lot of power, with some sites in the 100's of MW, which means that only sites with access to sufficient power can be used for data centre development. The lack of supply within the UK grid limits a lot of sites that otherwise would have the potential to deliver a data centre.
- **Proximity to End Uses** – proximity to end users becomes an important locational requirement where low-latency connectivity is central to the service being provided. Subsequently, access to fibre connectivity that connects data centres to end uses is essential. The speed of data transfer is ultimately limited by physics, particularly the speed of light. This is why London, as Europe's largest concentration of businesses and consumers, generates unparalleled demand for secure, low-latency digital services. Hayes offers the rare combination of proximity to London and robust fibre connectivity, making it one of the most attractive and competitive locations for data centre development in Europe. We discuss the importance of London and Hayes to data centres further in **Section 2.4** and **Section 4.**
- **Potential for Scale** – Scale in data centre developments can allow for increased efficiency. A large portion of a data centres' development area is for redundant power supplies, power infrastructure such as substations, and cooling infrastructure.

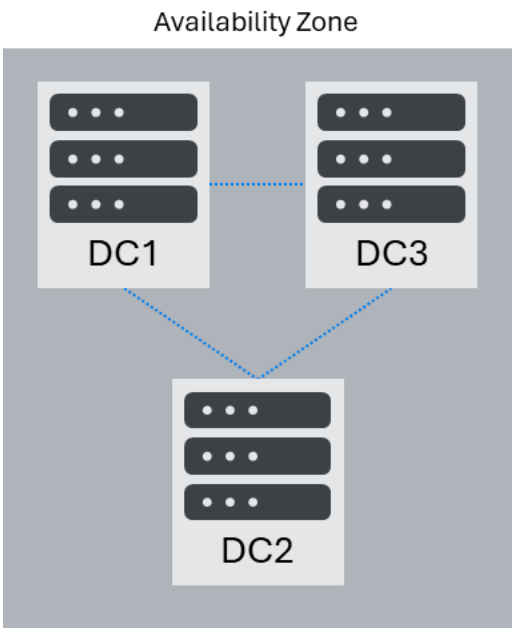
[2] Cisco (2018): "Cisco Global Cloud Index: Forecast and Methodology, 2016–2021" CISCO White Paper
[3] Arizton (2024) – Hyperscale Data Centre Market Landscape 2024–2029 (https://www.arizton.com/market-reports/hyperscale-data-center-market-report)

- **100% Availability** - The goal of any data centre and cloud network is 100% availability. This means that a system, service, or data centre is always operational with zero downtime, 24 hours a day, 7 days a week, 365 days a year. Traditional data centre design relied on single sites which were vulnerable to downtime as a result of hardware failures, power outages, maintenance windows, network disruptions and human error. These vulnerabilities quickly became too much to handle in the modern setting, particularly for cloud operators. ITIC's 2024 Hourly Cost of Downtime[4] survey indicates a single hour of server downtime can result in potential losses of $300,000 or more per hour for 90% percent of firms. 41% of firms said hourly outage costs now exceed $1 million per hour, with 20% saying outage costs exceed $5 million per hour.

2.3.2 The separate Alternative Sites Assessment (ASA), prepared by Savills Planning, considers the Subject Site and potential alternative sites against detailed criteria to assess their suitability for a hyperscale data centre within the Hayes Availability Zone (HAZ). Whilst the above criteria are true generally for data centres overall, the criteria within the ASA are bespoke to the Proposed Development, namely meeting a minimum site threshold and being regularly shaped and flat, free of constraints such as flood risk, environmental constraints or in proximity to incompatible land uses, within 10km of the central point of the cluster of VIRTUS data centres (London 5, 6, 7, and 8) at Stockley Park, and within 10km of a 132kV GSP substation. The result of the ASA is that there are no suitable alternative sites for the Proposed Development.

Availability Zones

2.3.3 Availability Zones are the building blocks of cloud computing networks. They allow for scale without compromising service quality. Availability Zones are geographical areas where multiple data centres are interconnected. Within these areas, data centres can duplicate or spread their applications across multiple sites, reducing the risk associated with disruptions in a single data centre, such as a power outage or flood event. This allows data centres to achieve near 100% uptime for digital services. For this system to function effectively, the physical distance between data centres within an Availability Zone needs to be limited. The reason for this is that the speed at which data can travel between data centres is limited by the speed of light along fibre optic cables. The further this data, in the form of light travels, the longer it takes. This is also referred to as "latency". Low latency is essential in order to operate an availability zone.



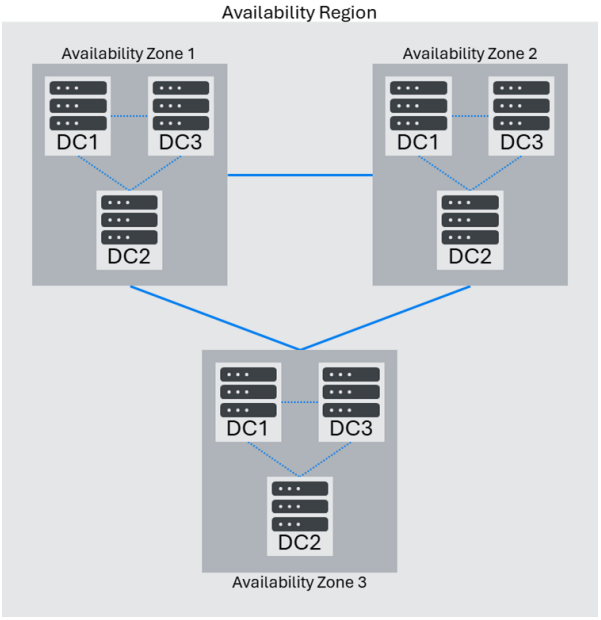
2.3.4 This distance requirements mean that any expansion of data centre capacity has to be within

[4] Information Technology Intelligence Consulting 2024 Hourly Cost of Downtime Survey

the Availability Zone. If an expansion site was outside of this zone, it would experience too high latency and therefore not be able to provide 100% uptime. Locational requirements are therefore crucial for data centres, and therefore cloud providers will not look outside of these availability zones for cloud operations. We discuss the HAZ specifically in **Section 4**.

Availability Regions

2.3.5 Availability Regions are geographical areas with a minimum of three Availability Zones within them. They help create further redundancy and provide a cloud infrastructure for the end markets. Each region is typically isolated and independent from other regions in regard to the electricity grid in order to prevent a total collapse in services in the event of a grid failure. The availability regions spread across the world, allowing cloud operators to provide a global service.



2.3.6 Each major cloud operator operates slightly differently; however, all operate multiple availability regions across the world with broadly similar areas as a result of the target markets they serve. **The Proposed Development at Sipson Former Garden Centre would be able to serve the 'London' Availability Region for all of the major cloud operators.**

2.3.7 This structure of multiple availability zones within an availability region also allows cloud operators to 'load balance' – the process in cloud computing where incoming network traffic can be distributed across multiple servers in order to prevent a single server becoming overwhelmed and slowing performance. This is particularly important in the event of a disruption, if a server rack, a data centre or an availability zone faces downtime as a result of a disruption, the network traffic can be routed to servers that are unaffected, allowing for minimal disruption to the cloud network.

2.3.8 Load balancing is a key factor when building data centre ecosystems as it differentiates them from other building use classes. If we compare it to offices for example, building offices in one area may compete with existing offices as they compete for the same tenants. However, as a result of load balancing and availability regions, the growth of one availability zone does not come at the expense of another zone. Instead, they complement each other, helping to provide a better and more resilient cloud product for the end user. Therefore, **it is not possible for demand within one availability zone to be met by capacity within another availability zone, even within the same availability region.**

2.4 Locational Advantages of the UK and London

2.4.1 The UK is considered to be one of the foremost locations in the world for data centres, particularly Hyperscale Data Centres which are operated by multinational tech providers.

Some key reasons why the UK is currently considered a strategic location for data centres include:

- **Geographical Location** - The UK's location offers excellent connectivity to both European and global markets. Its strategic location between the Americas and mainland Europe allows for efficient data transfer between different regions, making it a central hub for international digital infrastructure.
- **Subsea Cables** – Access to a well-established network of subsea fibre-optic cables, providing fast, low-latency connections between North America, Europe, and beyond. This high level of connectivity is a crucial factor in the UK's status as a data centre hub.
- **Advanced Infrastructure (Energy and Internet)** – The UK has robust internet infrastructure, with multiple fibre optic networks and excellent broadband coverage across the country, which ensures high-speed, reliable data transmission. Moreover, it supports a highly reliable power grid, which is essential for data centre operations.
- **Political Stability and Strong Regulatory Environment** - The UK has stringent data protection regulations that align with international standards, such as the General Data Protection Regulation (GDPR).

2.5 Supportive Policy

2.5.1 The government has clearly recognised the importance of data centres recently via:

- The AI Opportunities Action Plan[5] (January 2025);
- Classing data centres as "Critical National Infrastructure"[6];
- National Planning Policy Framework (NPPF) (December 2024);
- National Planning Policy Framework (NPPF) (August 2026); and
- Government's Modern Industrial Strategy (June 2025, Updated August 2025).

AI Opportunities Action Plan (January 2025)

2.5.2 The government recently announced the AI Opportunities Action Plan (January 2025), which represents a significant shift towards positioning the UK as a global leader in AI innovation and adoption. From transforming industries to delivering smarter public services, this Plan emphasises the incredible potential of AI to drive economic growth, provide jobs for the future, and improve lives in the UK.

2.5.3 Data Centres and their link with AI are key to delivering this initiative, with data centres referred to as the 'engines of the AI age'[7]. This is because AI requires data centres that house the large and complex computers that are used to train AI models and to run 'inference' (where AI is used to complete tasks and answer queries). Notably, the Action Plan includes the following three key actions that are likely to positively impact the data centre sector:

[5] https://www.gov.uk/government/publications/ai-opportunities-action-plan-government-response/ai-opportunities-action-plan-government-response
[6] https://www.gov.uk/government/news/data-centres-to-be-given-massive-boost-and-protections-from-cyber-criminals-and-it-blackouts
[7] Foreword by the Secretary of State for Science, Innovation and Technology, AI Opportunities Action Plan (January 2025)

- **AI Growth Zones (AIGZs)**: These would be areas that have fast-tracked planning and enhanced energy connections for data centres in order to enable the deployment of AI infrastructure.
- **Public Compute Capacity Expansion**: This includes a twentyfold increase in public computing power, requiring the build-out of data centres.
- **Energy Innovations**: With the establishment of an AI Energy Council, data centres are expected to play a critical role in advancing sustainable energy technologies including modular reactors.

2.5.4 With all 50 recommendations of the plan being adopted, this initiative positions the UK as an AI market that can encourage inward investment. This fact, alongside the government's own goals of AI rollout, indicate the strength of future demand for data centre capacity in the UK. Notably, the window for applications for AI Growth Zones opened in February 2025 and is still open for applications.

2.5.5 Since the launch of the AI Opportunities Action Plan, the Government has designated the first five AIGZs, including the pilot zone at Culham in Oxfordshire and subsequent zones in the North East, North Wales, South Wales and Lanarkshire. These designations demonstrate the Government's commitment to accelerating the delivery of AI-enabling infrastructure and strengthening the UK's attractiveness for data centre and AI-related investment. Furthermore, as we will discuss below, AIGZs have become embedded within the NPPF, with national planning policy now recognising their strategic role in supporting economic growth and facilitating the delivery of AI and data centre infrastructure.

Critical National Infrastructure

2.5.6 In September 2024, the Secretary of State for Science, Innovation and Technology announced that data centres are designated as Critical National Infrastructure (CNI), underscoring the UK's commitment to strengthening data privacy and security. Awarding Critical National Infrastructure status shows the fundamental importance of data centres for the Government, and renews the commitment to ensuring the UK data industry remains secure and stable. The move will provide greater reassurance that the UK is a safe place to invest in data centres.

2.5.7 Data centres have now been placed on an equal footing with vital services such as water and energy, providing additional protections and priority in the case of power failures or cyber-attacks. This designation also provides data centre operators with access to a CNI data infrastructure team of senior government officials. The remit of this team is to monitor and anticipate potential threats, provide prioritised access to security agencies such as the National Cyber Security Centre, and coordinate support with the emergency services should this be required. This support, as a result of the CNI designation, is hoped to attract further investment in data centres and as a deterrent to cyber criminals. Technology Secretary Peter Kyle said:

> *'Data centres are the engines of modern life, they power the digital economy and keep our most personal information safe. Bringing data centres into the Critical National*

Infrastructure regime will allow better coordination and cooperation with the Government against cyber criminals and unexpected events[8].

2.5.8 Whilst CNI status is not itself a planning designation and does not directly alter the consenting route for development, it nevertheless reflects the strategic importance of data centres to the UK's economy, security and national resilience.

2.5.9 Furthermore, since January 2026, nationally significant data centre projects have been capable of seeking a direction under section 35 of the Planning Act 2008, enabling them to be brought within the Nationally Significant Infrastructure Project (NSIP) regime and consented through the Development Consent Order (DCO) process. This follows amendments to the Infrastructure Planning (Business or Commercial Projects) Regulations, which recognise data centres as a form of business or commercial project capable of being directed into the NSIP regime where the statutory tests are met. This demonstrates the Government's recognition of the importance of data centres to the wider economy and may provide greater certainty over the delivery of strategically important facilities in accordance with national policy.

2.5.10 The Government's reforms also provide for certain co-located power generation assets to be directed out of the NSIP regime where appropriate, enabling the data centre and its associated energy infrastructure to follow the most suitable consenting route. This additional flexibility is intended to ensure that the planning system does not become a barrier to the timely deployment of data centre capacity.

New NPPF (August 2026)

2.5.11 The December 2024 NPPF represented an initial step in national planning policy recognising the role of data centres in supporting the modern economy. However, that recognition has now been taken further through the new 2026 NPPF, which provides more direct policy support for data centre development and the energy, grid and locational requirements necessary to deliver it.

2.5.12 Annex A of the 2026 NPPF confirms that the policies of the new NPPF are material considerations from the date of publication and should be taken into account in decision-making. It also states that development plan policies, or parts of policies, which are materially inconsistent with national decision-making policies in the new NPPF should be given very limited weight.

2.5.13 The consultation which preceded the new NPPF, published in December 2025, specifically sought views on data centres and onsite energy generation. Read alongside the final policy wording of the new NPPF, this demonstrates the increasing policy impetus in support of data centre development and the Government's recognition that the planning system must enable, rather than constrain, the delivery of this critical infrastructure.

2.5.14 The key NPPF policies relevant to data centres include:

[8] Press Release, Data centres to be given massive boost and protections from cyber criminals and IT blackouts (Department for Science, Innovation and Technology and The RT Hon Peter Kyle MP (12th September 2024)

- **Policy E1** requires **development plans to support economic growth by having regard to the Industrial Strategy, Industrial Strategy Zones and AI Growth Zones.** Importantly, it also requires plans to allocate sites to meet identified needs over the plan period, '*paying particular regard to facilitating development to meet the needs of a modern economy*'. This includes for '*knowledge and data-driven, creative or high technology industries*' and the facilities and infrastructure required to support them, **expressly including '*data centres and associated generating capacity, and electricity network infrastructure to provide grid connections, data centres and associated generating capacity, and grid connections*'.**
- **Policy E2** states that **substantial weight should be given to the economic benefits of commercial development proposals** which allow businesses to invest, expand and adapt, particularly **where this would support the implementation of the Industrial Strategy or reflect proposals for AI Growth Zones.** The same policy also states that, where **unmet need is being considered, regard should be had to market signals, the changing needs of different sectors, and the specific locational requirements of the development proposed.** This includes circumstances where the availability of infrastructure, such as electricity network infrastructure to provide adequate grid connections or water and wastewater capacity, makes certain locations particularly important, including opportunities to co-locate large-scale generators and users of power such as data centres. **Policy E2 further supports proposals that would meet a local, regional or national need for the provision of new, expanded or upgraded facilities** that would result in more efficient, reliable or sustainable handling of goods, whether for their receipt, storage, processing, interchange or distribution. Whilst drafted primarily in the context of the movement and handling of physical goods, the underlying policy objective is consistent with the role of data centres in supporting the efficient, reliable and secure storage, processing and distribution of digital information across the economy. ***(Savills emphasis in bold)***

2.5.15 The new 2026 NPPF therefore moves beyond simply recognising data centres as a modern economic use, and instead directly addresses the practical infrastructure requirements necessary to deliver them. As discussed throughout this report, data centres have specific locational requirements, particularly in relation to grid connections, access to power, fibre connectivity, and proximity to existing data centre clusters. By expressly recognising associated generating capacity and electricity network infrastructure, the new 2026 NPPF demonstrates a clear understanding that data centres are not footloose commercial uses, but infrastructure-led developments with specific operational and locational requirements.

2.5.16 The new 2026 NPPF also classifies data centres as 'essential infrastructure' within the flood risk vulnerability classification. Whilst this does not remove the need to assess flood risk appropriately, it is a further clear signal of the national importance attached to data centres, placing them alongside other forms of infrastructure considered essential to the functioning, resilience and future growth of the UK economy.

2.5.17 Overall, the new 2026 NPPF marks a clear strengthening of the support first introduced in the 2024 NPPF. It does not simply reference data centres as part of the modern economy;

it directly supports their delivery through policy relating to the Industrial Strategy, AI Growth Zones, energy generation, grid connections, market signals and specific locational requirements. This confirms the increasing national policy impetus in favour of data centres as critical infrastructure for the modern digital economy.

Government's Modern Industrial Strategy (June 2025, Updated August 2025)

2.5.18 The UK's Modern Industrial Strategy, launched in 2025, is a 10-year plan aimed at boosting business investment and economic growth by focusing on eight high-potential sectors: advanced manufacturing, clean energy, creative industries, defence, digital and technology, financial services, life sciences, and professional and business services. These are the industries that are deemed to have the potential for the highest growth in regard to output and productivity.

2.5.19 AI, cloud computing - and by extension data centres - are critical to delivering this strategy and enabling the eight priority growth sectors. Every one of these growth sectors is underpinned by data centre infrastructure, underscoring its fundamental role in driving productivity, innovation, and resilience across the economy.

2.5.20 The Industrial Strategy specifically references the need for certainty in planning for *'gigafactories, laboratories and* ***data centres'*** as these are ***'crucial commercial opportunities[9]'*** **for the growth sectors**. The Industrial Strategy also makes specific mentions of the potential transformative effect of AI on the economy, echoing the notions in the AI Opportunities Action Plan including ***'making the UK an AI maker, rather than a taker'[10]***.

(Savills emphasis in bold)

Draft London Plan Consultation

2.5.21 The data centre evidence base prepared to inform the Draft London Plan expressly identifies Hayes as an established data centre cluster within London's east-west corridor of digital infrastructure. In particular, the report states at page 17:

> '*Hayes, located in the London Borough of Hillingdon in West London, represents a notable data centre cluster. Its emergence as a hub for digital infrastructure has been shaped by key locational advantages, particularly its proximity to Heathrow Airport, strong electrical grid capacity, and existing fibre connectivity. These factors have contributed to Hayes developing as a distinct node within the broader east-west corridor of data centre activity.*'

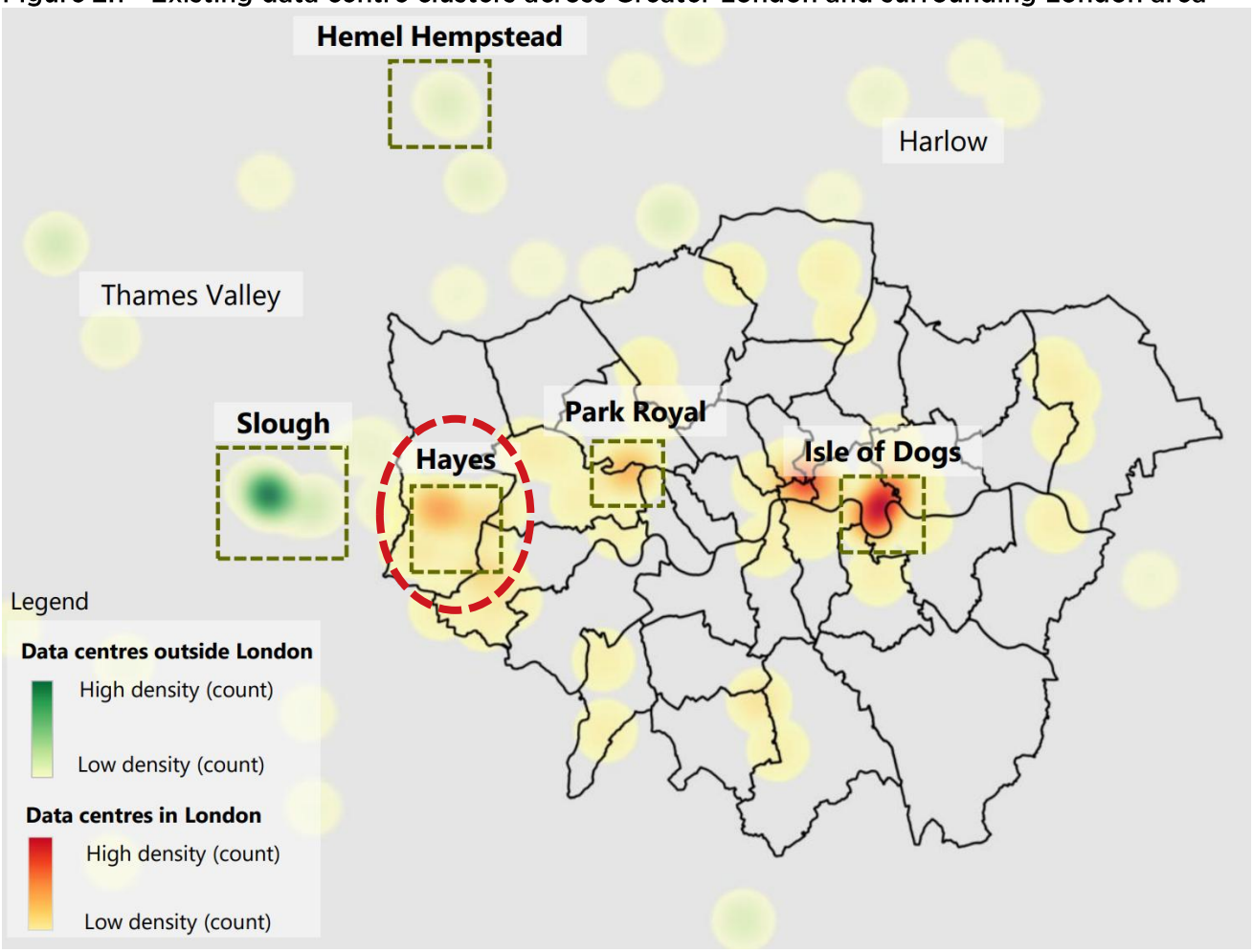
2.5.22 The report identifies nine operational data centres within the Hayes cluster. It also recognises Hayes and Park Royal as major West London nodes, with larger, campus-style developments supported by land availability, proximity to industrial areas, and access to strategic power and fibre infrastructure.

2.5.23 The spatial relationship between Hayes and London's other established data centre clusters is reproduced in **Figure 2.1** below. It illustrates the east-west pattern of data centre

[9] The interventions p82 The UK's Modern Industrial Strategy (UK Government, June 2025)
[10] AI Opportunities Action Plan, Department for Science, Innovation and Technology 2025

development across London, including the concentration of facilities at Hayes within the western part of that corridor. More generally, the report emphasises that data centres are now recognised as Critical National Infrastructure and are fundamental to the operation of modern cities. It references the support data centres provide to essential services including healthcare, energy, communications and public services, thereby helping London evolve as a smart, connected and globally competitive city[11].

Figure 2.1 - Existing data centre clusters across Greater London and surrounding London area



Source: Figure 3, London's Data Centre Future Growth Forecasts and Strategic Insights

2.5.24 In terms of the consultation London Plan itself, it places a much greater emphasis on data centres compared to its predecessor, the current 2021 London.

2.5.25 Firstly, the consultation London Plan includes a dedicated data centre policy (GLE3). Policy GLE3 recognises data centres as strategically important infrastructure that underpins London's economic growth, digital connectivity and emerging technologies, including AI. The policy moves beyond treating data centres simply as an industrial land use and instead establishes a dedicated planning framework to ensure sufficient provision is made in appropriate locations. By requiring planning authorities to identify suitable sites and support development in principle where locational criteria are met, the policy acknowledges that

[11] Section 1, London's operational resilience and security and London's position as a smart, connected global city, pp.8-9

data centres are critical infrastructure whose delivery should be actively planned for rather than considered on an ad hoc basis.

2.5.26 Whilst Policy GLE3 provides the clearest expression of support for the data centre sector, the importance attached to data centres is also evident throughout the Draft London Plan. The Plan explicitly recognises the role of data centres in supporting London's future economy, including emerging technologies such as artificial intelligence, with the Mayor's foreword identifying "data centres for AI" as part of the industries of the future for which London must plan.

2.5.27 The sector is also embedded within a broader strategy focused on infrastructure capacity, resilience and connectivity. In particular, Policy MBUL4 (Utilities - capacity, connectivity and resilience) emphasises the need to align growth with infrastructure provision and resilience, recognising the importance of strategic utility networks in enabling sustainable growth across London.

2.5.28 Read alongside the Draft Plan's wider economic growth objectives in Chapter 4: Growing London's economy in a way that benefits all, the Plan demonstrates that data centres are regarded not simply as an employment use but as strategically important digital infrastructure that underpins London's economic competitiveness, digital connectivity and future growth.

2.5.29 The approach in the Draft London Plan also aligns closely with the new 2026 NPPF. Whilst the NPPF establishes national support for data centres and expressly recognises their specific locational and infrastructure requirements, Policy GLE3 of the Draft London Plan translates this support into a London-specific planning framework by identifying the matters to be considered when locating and assessing data centre development. Taken together, the two documents demonstrate a consistent direction of policy at the national and strategic regional level towards actively and positively planning for the delivery of data centres and the infrastructure required to support them.

3 Data Centres and the Wider Economy

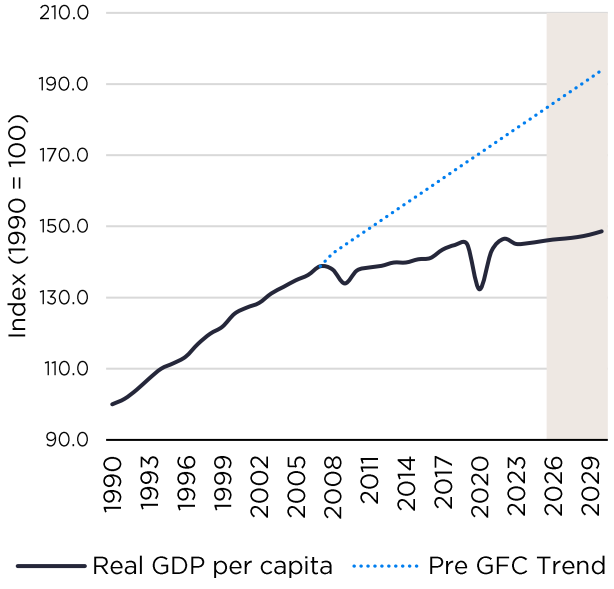
3.1 Introduction

3.1.1 In this section we demonstrate the economic importance of data centres and how they are crucial infrastructure that is required to enable the functioning of a modern economy.

3.2 The Economic Performance of the UK

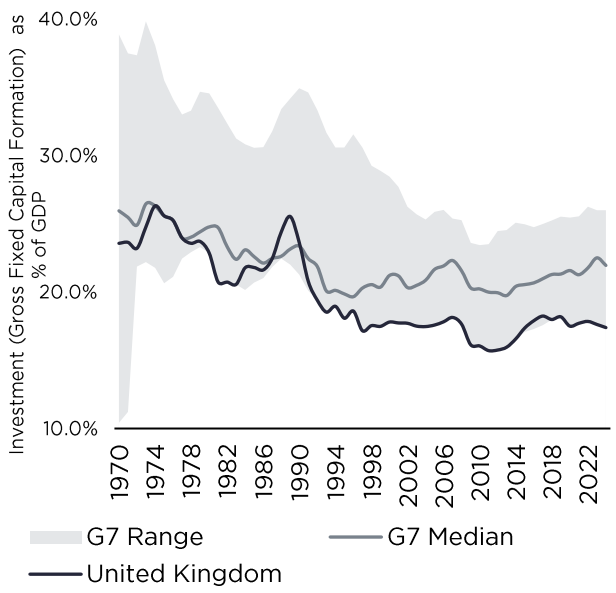
3.2.1 The UK has had a severe slowdown in economic growth since the 2008 financial crisis (see **Figure 3.1** below). Where the US and the Euro Zone have been able to return to similar levels of productivity growth, the UK has flatlined. The lack of investment in the wake of the crisis, austerity measures to limit government debt, and negative shocks such as the Covid pandemic have all prevented a return to growth for the UK economy. As a result, productivity per worker has been broadly flat since 2008. This has prevented wage growth across the economy, and living standards have also failed to increase further.

Figure 3.1 – Indexed Real GDP per Capita



Source: ONS, Oxford Economics, IMF

Figure 3.2 – Investment in the UK against the G7 average (Gross Fixed Capital Formation)



Source: OECD

3.2.2 Arguments can be made that the advancement of other countries, structural changes to the age demographics of the UK, and a shift away from traditional sectors such as manufacturing and resource extraction, have resulted in the UK's economic slowdown. There is an element of truth to these explanations, but one cause that stands out starkly is the lack of investment in the UK. The UK has had the lowest level of investment[12] in the G7[13] for 24 of the last 30 years[14]. The last time the UK level of investment was above the median for the G7 was in 1990 (see **Figure 3.2** below). This lack of investment has prevented the UK

[12] Includes public, private, household and non-for-profit investments
[13] Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States
[14] OECD

from capitalising on its existing strengths and economic advantages.

3.2.3 In order to reverse the recent economic trends of the UK and return to growth, the economy must adopt and excel in the most productive industries of the future. Science and technology have been the driving force of progress for much of our modern economic successes, and are expected to be key industries for future economic development.

3.2.4 The UK has been at the forefront of many breakthroughs in science and technology, including the discovery of DNA structure, Penicillin, and was the home of the Industrial Revolution. It can be argued that another economic revolution is now taking place, as we have seen the beginnings of a technological revolution with the widespread adoption of the internet, smart phones, and more recently cloud computing. We have also entered into an Artificial Intelligence (AI) era, with generative AI set to expand this further.

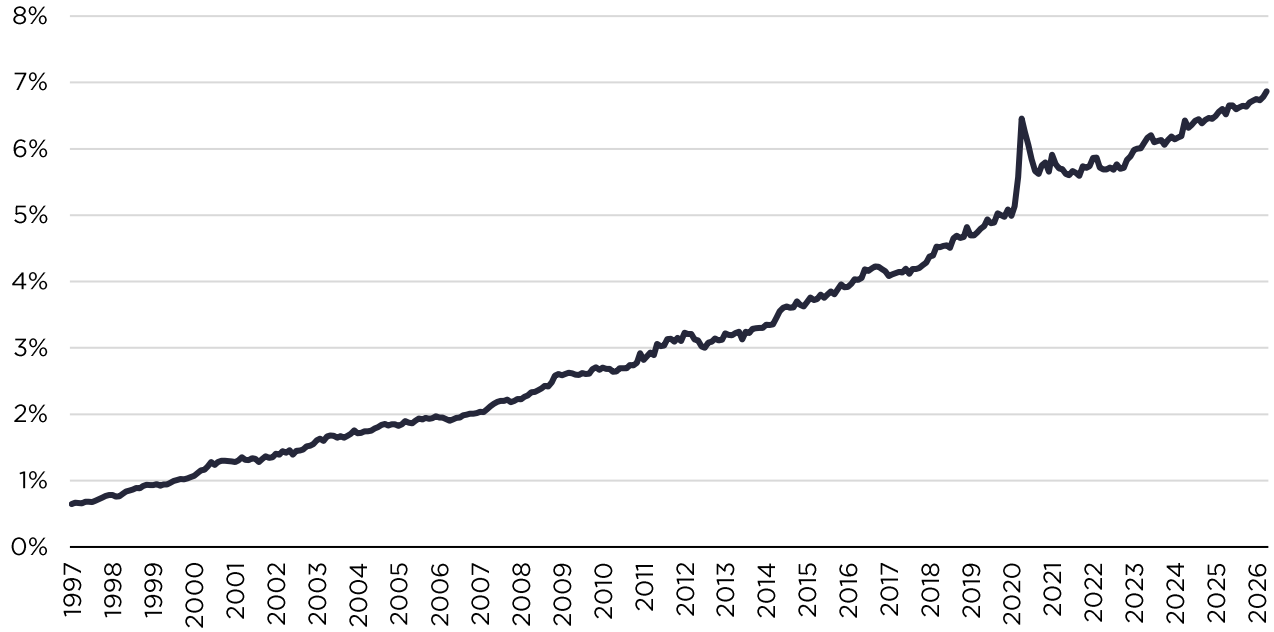
3.2.5 The productivity gains capable of being unlocked by AI and digital technologies are critical to the UK's economic future, as underscored in the AI Opportunities Action Plan (January 2025) (as discussed in **Section 2.5**), which calls for expanded AI Growth Zones, accelerated planning for data centre infrastructure, and long-term compute investment. The Modern Industrial Strategy (June 2025, updated August 2025), also discussed in **Section 2.5**, further reinforces this by identifying digital infrastructure as a strategic enabler of key growth sectors. Without timely deployment of data centre capacity, the UK risks falling behind. Stalling investment in this critical national infrastructure would materially undermine highly productive industries and deter global digital investment away from the UK and towards competing nations instead.

Share of Economy

3.2.6 **Figure 3.3** below illustrates the structural transformation of the UK economy over the last three decades. The Information and Communication sector has increased its share of UK GDP from 0.6% in 1997 to almost 6.9% by 2026, representing an over tenfold increase and reflecting the growing significance of digital technologies and data-driven economic activity. Few sectors have experienced such a sustained increase in their contribution to national output.

3.2.7 This shift has important implications for infrastructure planning and investment. Just as previous periods of economic growth relied upon transport, energy and industrial infrastructure, the continued expansion of the digital economy depends upon the provision of sufficient computing, storage and network capacity. Data centres therefore represent critical enabling infrastructure for an increasingly important component of the UK economy.

Figure 3.3 Share of UK GDP comprised by the Information and communication sector 1997-2026



Source: ONS Monthly GDP Indices

3.3 Quantifying the Economic Benefits of Data Centres

3.3.1 The significant economic impact of data centres, and the crucial role they play in the future economy, is able to be evidenced in a variety of measures. Firstly, analysis by techUK[15] shows that for every £100 of GVA generated directly by data centres, an additional (indirect) £17–£164 of GVA is created across the wider economy (see **Figure 3.4** below). A similar pattern exists for employment, where every direct data centre job created supports an additional 1.4 to 2.5 (indirect) jobs elsewhere (see **Figure 3.5** below). These indirect benefits arise, both, through supply-chain linkages (such as construction, energy, and facilities services) and through the wider digital ecosystem that relies on data centres, including cloud computing, AI, and other data-driven applications.

Figure 3.4 Indirect and Induced GVA in Comparison to Direct GVA

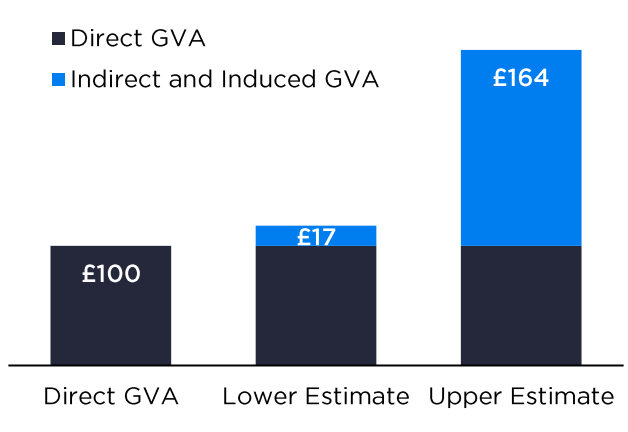
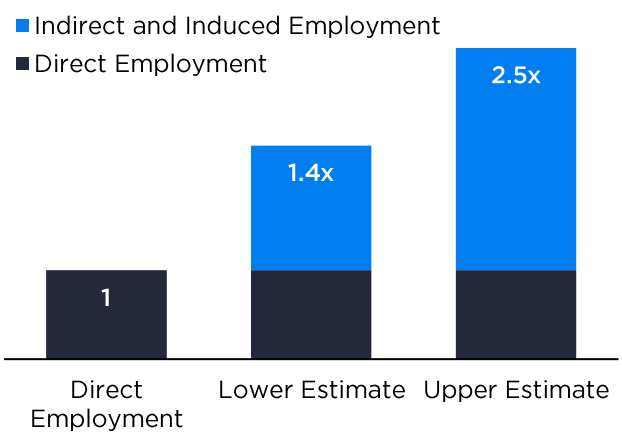


Figure 3.5 Indirect and Induced Employment in Comparison to Direct Employment

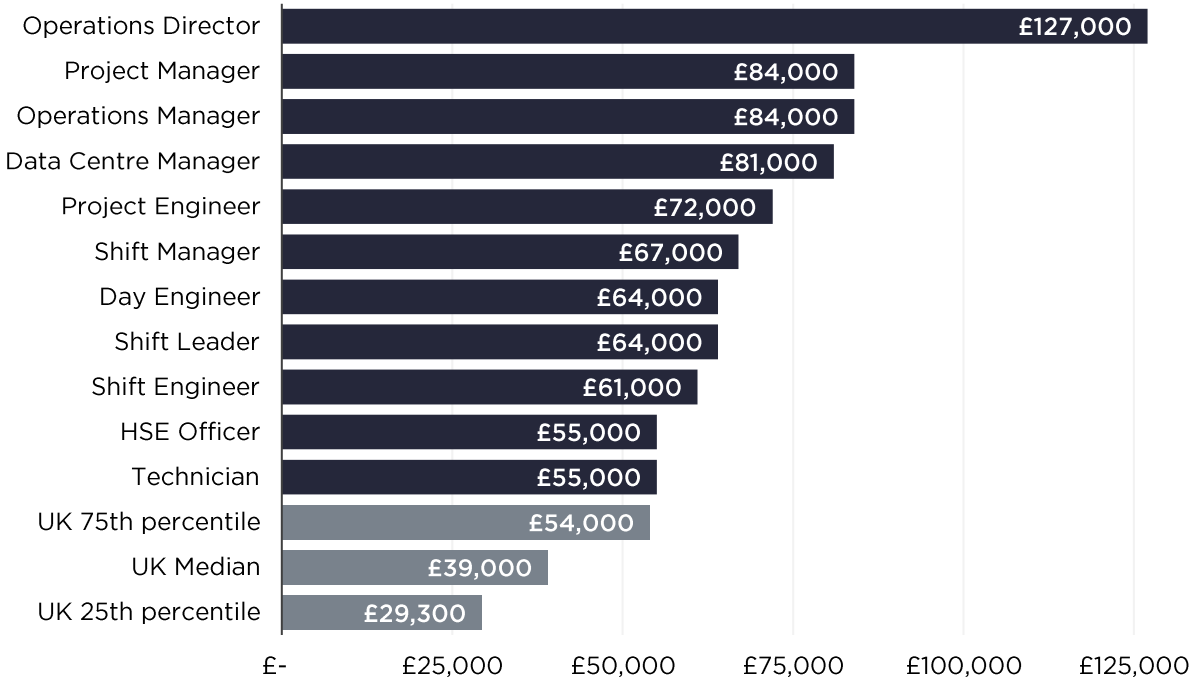


Source: TechUK

[15] TechUK: Foundations For The Future: How Data Centres Can Supercharge UK Economic Growth

3.3.2 We can also evidence the economic value of data centres through the wages of employees. Data X Connect run an annual survey on over 1,000 data centre employees in the UK. The results of this survey, illustrated in **Figure 3.6** below, show that data centre jobs, including the lowest paid data centre jobs, pay substantially above the UK median wage. Further, the majority of data centre jobs are in the top 25% paid jobs in the country. The high wages of these employees shows both the skill levels of the workers, but also the economic importance of the jobs.

Figure 3.6 Data centre roles and average associated salary compared to wider UK levels (2025)



Source: Savills analysis of Data X Connect Data Centre Salary Survey 2025; ONS (2025) Annual Survey of Hours and Earnings.

3.4 The Digital Economy of the UK

3.4.1 The UK is one of the most advanced digital economies in Europe, attracting inward investment into start-ups and scale-ups in the tech world, alongside a substantial presence by global tech companies. To align with government statistics, we use the definition of the digital economy as defined by the Department for Science, Innovation and Technology in their digital economy estimates[16]. The detailed SIC codes for those sectors that make up the digital economy are shown in **Appendix A**.

3.4.2 Highlighting the digital economy is important when understanding the impact of data centres, as these are the industries which are likely to gain the most from an increase in data centre provision. As we mention above, data centres also have many major positive spillover effects for the rest of the economy, but the scope for increases in productivity are greatest within the digital sectors. A strong digital sector is also the major determinant of demand for inward investment into infrastructure such as data centres in the UK. The UK is an attractive market for data centre investment as a result of its strong and growing digital

[16] https://www.gov.uk/government/statistics/economic-estimates-digital-sector-regional-gross-value-added-2019-to-2022/economic-estimates-digital-sector-regional-gross-value-added-2019-to-2022

sector as we explore further below.

Economic Output

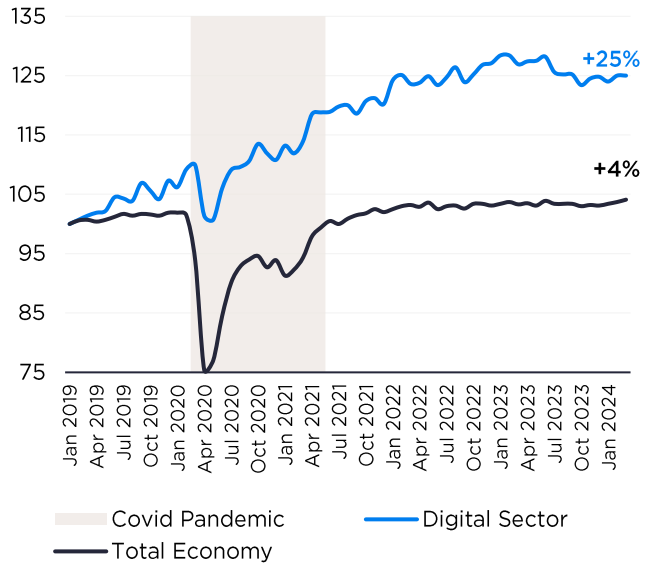
3.4.3 The digital sector has become a large part of the UK economy, generating £177 billion in GVA in 2024 accounting for around 6.8% of total UK GVA[17]. This is unsurprising given the supply-side strengths of the UK, with many major global technology companies such as Amazon, Google and Meta all having large presences in the UK. Notably, OpenAI and Anthropic, leading AI Large Language Model (LLM) developers have recently announced an expansion of their presence in the UK, securing long-term leases to establish their premier permanent international research and engineering hubs in London's King's Cross Knowledge Quarter. As such, these companies have invested in technology, people, and real estate, all positively contributing towards economic output.

3.4.4 The UK also has a strong start-up industry, especially in the tech sector. AI companies have added around $255 billion to the economy so far in 2026 and account for a third of the UK's tech sector, with AI start-ups raising $11 billion in venture capital in the first half of 2026[18]. The UK's tech ecosystem is now estimated to be worth $1.6 trillion, and in 2025 the UK received more venture capital (VC) funding than France, Germany and Switzerland combined[19]. In 2026, almost half of all VC funding in Europe has been invested in Britain, representing a 16-year high[20]. As such, the UK tech sector is the number one tech ecosystem in Europe, it is the world's third biggest hub for AI talent behind the US and India, and fourth for frontier AI researchers after the US, China, and India[21]. This investment has allowed the digital sector's productivity to rise faster than the economy as a whole (see **Figure 3.7** below). Economic output rose by 25% in the digital sectors between January 2019 and January 2024 compared to only 4% in the total economy.

3.4.5 Another vital component of the digital sector's 'economic story' is 'Indirect GVA'. Indirect GVA captures the impact that the digital sector has on other segments of the economy. For example, the digital sector contributes to the real estate and professional services sectors, which trigger a GVA contribution from those sectors. The direct GVA from the digital sector equated to £177 billion in 2024, whilst its indirect GVA equated to £101 billion. Therefore, the total GVA (both direct and indirect) attributable to the digital sector equated to around £278 billion in 2024 (see **Figure 3.8** below).

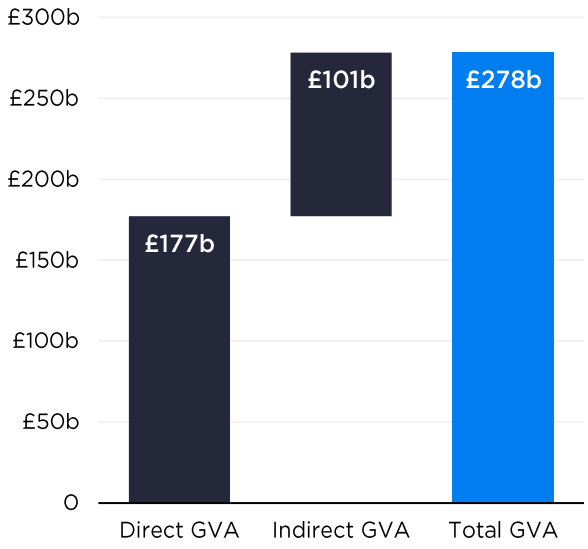
[17] Department for Science, Innovation and Technology (2026). Economic Estimates: Digital Sector Annual (2010 to 2024) and Regional (2010 to 2022) Gross Value Added
[18] The Tech Nation Report 2026
[19] Ibid
[20] Ibid
[21] Ibid

Figure 3.7 Indexed growth in GVA in the digital sector and the total economy



Source: Savills analysis of Department for Science Innovation and Technology; ONS.

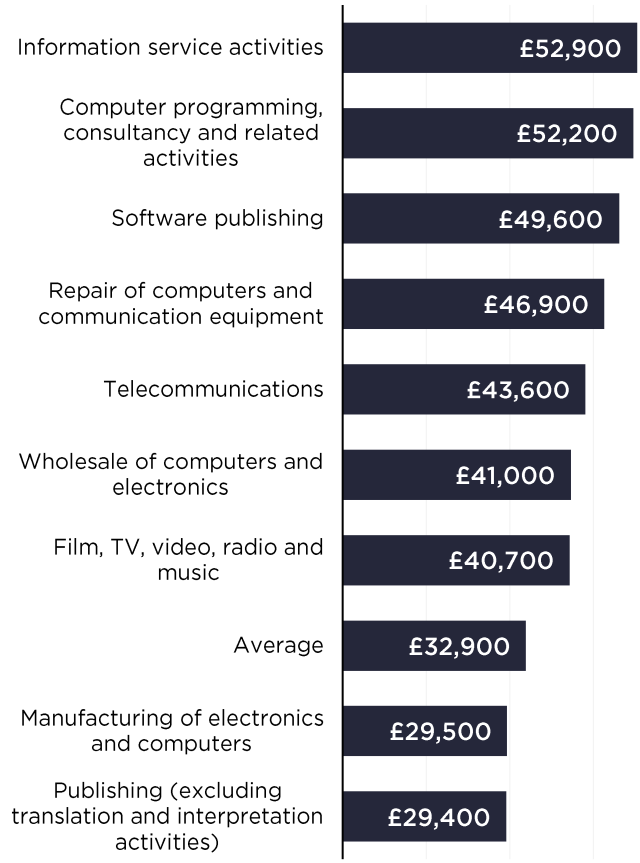
Figure 3.8 Direct and indirect GVA of the digital sector (2024)



Source: Savills analysis of ONS Type 1 Multipliers and DSIT ONS data, Note: figures may not sum due to rounding.

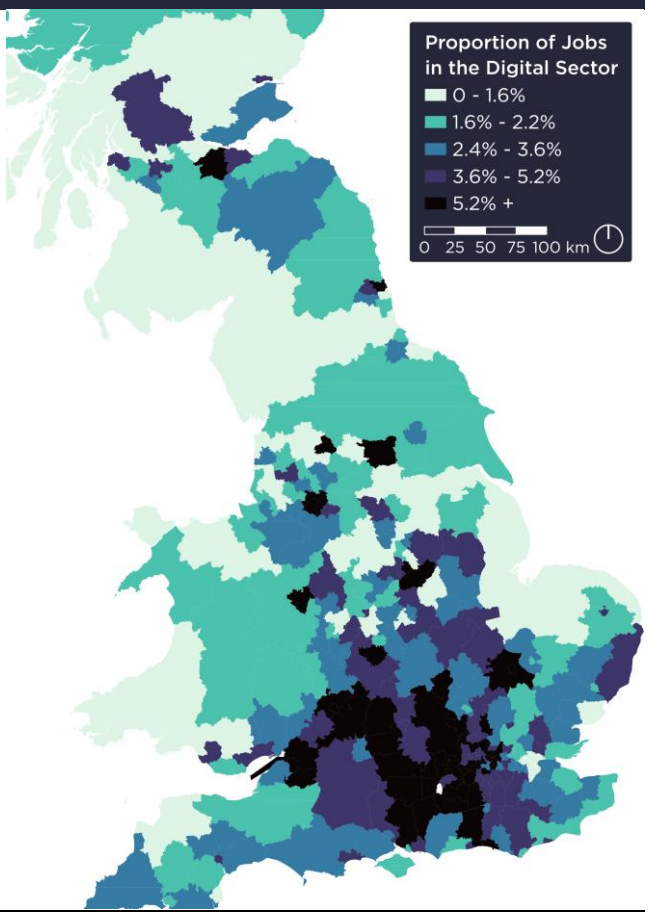
3.4.6 Jobs in the digital sector also typically pay more than the all sector average as shown in **Figure 3.9** below. However, unlike most industries in the UK, these productive sectors are not only limited to London and the South East. All UK regions have over 3.5% of total GVA attributable to direct digital output. In London this figure is 11.9% as a result of employment from large global tech firms in places such as Kings Cross and a growing Fintech market built upon the historic expertise of the London finance industry. This geographic split is also true for employment, where jobs in the digital sector are geographically spread across the country (see **Figure 3.10** below), meaning many areas of the UK are sharing in the sectors growth. Though London remains the most important location evidenced by the fact it has the highest proportion of digital jobs at 9.6%. This means that building data centre infrastructure will positively benefit London and the local area to Hayes, as well as further afield in the UK economy.

Figure 3.9 Annual gross earnings of digital sectors against the all job average (2025)



Source: Savills analysis of ONS (2025) Annual Survey of Hours and Earnings.

Figure 3.10 Distribution of digital jobs by local authority



Source: Savills analysis of ONS (2025) Business Register and Employment Survey.

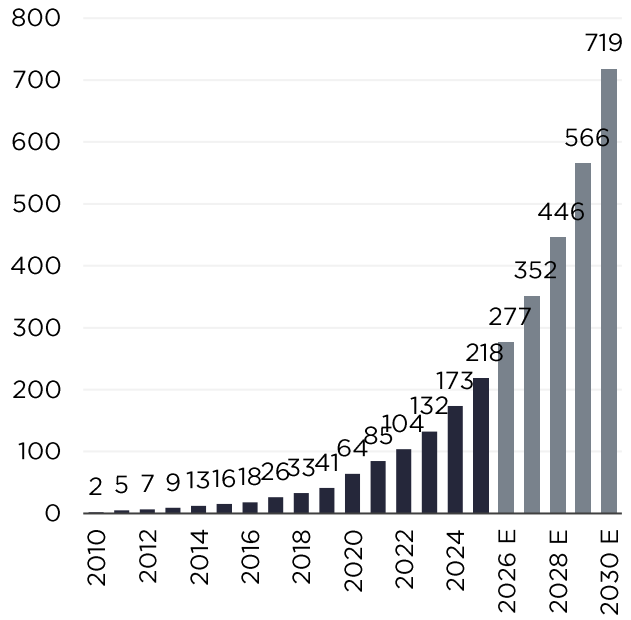
3.5 Data Storage and Processing

3.5.1 The world is experiencing a dramatic surge in data creation. By 2030, the global datasphere (i.e., the total volume of data generated and replicated worldwide) is expected to be over four-fold the amount created in 2024. The 'Global DataSphere' provided by the International Data Corporation ('IDC') quantifies the amount of data created, captured, and replicated in any given year (see **Figure 3.11** below). This growth in data storage and processing is driven by the rapid adoption of emerging technologies and the evolution of existing ones. In simple terms, global populations are increasing, the time people are spending on connected devices such as smartphones is increasing, and the media we view is changing from text based or photos, to high quality video. Accordingly, the data needing to be stored and processed in data centres is rapidly expanding. Further to this, new technologies such as the Internet of Things (IoT), which is transforming once "dumb" devices like refrigerators, doorbells and fitness watches into intelligent, connected systems that continuously generate and transmit data.

3.5.2 A notable trend in the data storage and processing sector is the shift away from local storage and processing, to pooled storage and processing. As shown in **Figure 3.12** below,

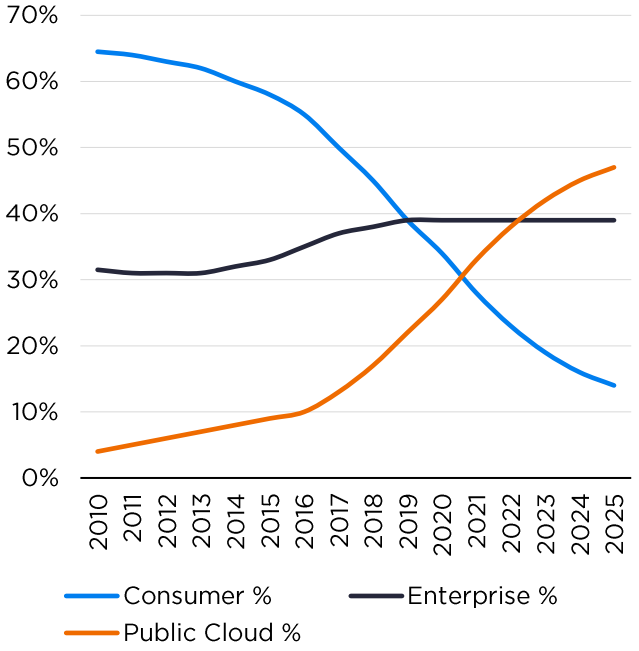
the proportion of data stored and processed in consumer facilities, which can comprise memory sticks, computer hard drives or the storage on your phone, has seen its share decline in the last 15 years. In its place we have seen the rise of enterprise and public cloud storage, through more commercial cloud operators such as AWS or Google, or more public cloud systems such as iCloud storage on an iPhone. This shift in storage and processing locations has had a drastic effect on the demand for data centres - they are the centralised locations for this storage and processing and will therefore need to see a drastic increase in capacity in order to power this increase in data storage and processing.

Figure 3.11 The Global Data Sphere: Data Created and Replicated Per Annum (2010-2030)



Source: Savills analysis of IDC Global DataSphere Forecast.

Figure 3.12 Where data is stored



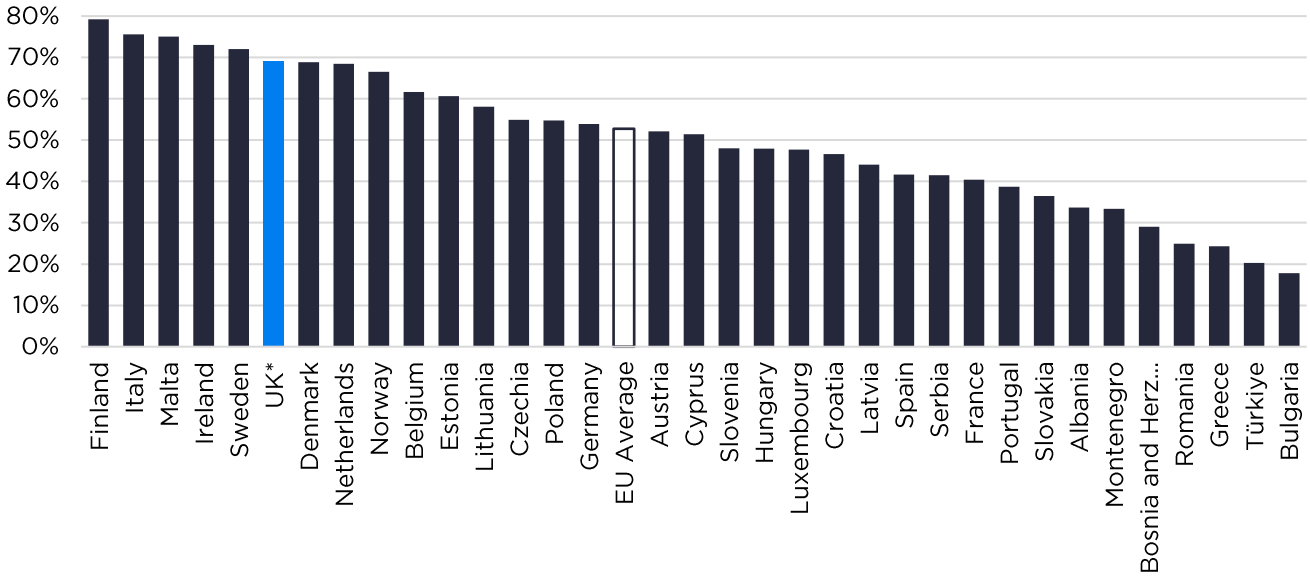
Source: Data Age 2025, sponsored by Seagate with data from IDC Global DataSphere, May 2020

3.6 Cloud Computing

3.6.1 The UK is one of the most advanced cloud computing ecosystems in the world. Key to this is the UK finance industry being one of the early adopters of cloud computing. This was accelerated during the Covid-19 pandemic, with the push to work from home. The UK is one of the heaviest adopters of work from home, with an average high school educated worker working 1.5 days from home per week[22]. This ranked second globally and was substantially higher than the global average of 0.9 days. As a result, the UK has seen strong implementation of cloud computing. When compared to EU countries, the UK had the sixth highest number of firms adopting cloud computing (69%) in 2025, substantially higher than the EU average of 53% (**Figure 3.13**).

[22] Working from Home Around the Globe: 2023 Report; Cevat Giray Aksoy, Jose Maria Barrero, Nicholas Bloom, Steven J Davis, Mathias Dolls, Pablo Zarate; EconPol Policy Brief 53

Figure 3.13 Cloud enterprise adoption in 2025 (Percentage of firms)



Source: Savills analysis of Eurostat (2026) Cloud computing services by size class of enterprise.
**UK data not included in Eurostat data, UK figure adopted from ONS (2025) Management practices and the adoption of technology and artificial intelligence in UK firms: 2023.*

3.6.2 Firms adopt cloud computing as a result of the productivity increases it brings including access to files across different devices, collaborative working and integration of technologies such as email and calendars. Telecom Advisory Services estimate that in 2023, the economic gains as a result of cloud computing equate to over £42 billion[23], or almost £1,300 per worker. The cloud computing sector is equivalent to 1.6% of UK GDP, which is larger than the UK automotive manufacturing sector[24].

3.6.3 Cloud computing is an industry inherently linked with the provision of data centres. Data centres are facilities that house a large number of servers, storage systems, and networking equipment that are the physical infrastructure that powers cloud computing services. Without data centres, cloud platforms could not deliver the on-demand, scalable, and flexible services that businesses and individuals rely on today. As such, to support the strong cloud computing sector requires the further development of data centres. There has been strong demand from cloud computing operators for this, with Amazon recently committing £8 billion in the UK, hoping to support 14,000 jobs[25].

3.7 Artificial Intelligence

3.7.1 In recent years, AI has become one of the main talking points in regards to data centre demand. Primarily, data centres are required during the training period for AI models but also during the operational phase to process requests from end users. The training of AI models requires a large number of computations. The rate of training computation has roughly doubled every six months since 2010[26] as AI models become increasingly more

[23] https://www.teleadvs.com/economic-impact-of-cloud-computing-in-the-united-kingdom/
[24] ONS, GVA by industry
[25] https://www.aboutamazon.co.uk/news/job-creation-and-investment/aws-plans-to-invest-8-billion-in-the-uk#:~:text=The%20total%20economic%20impact%20of,the%20UK's%20automotive%20manufacturing%20sector.
[26] Jaime Sevilla, Lennart Heim, Anson Ho, Tamay Besiroglu, Marius Hobbhahn, Pablo Villalobos (2022) — Compute Trends Across Three eras of Machine Learning. Published in arXiv on March 9, 2022

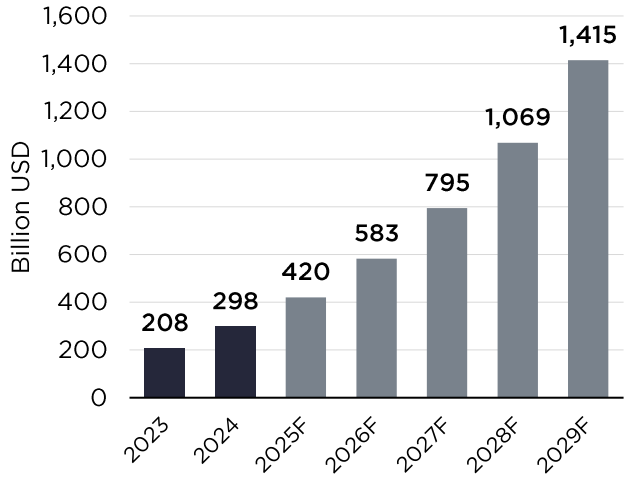
complicated. Data centres, as the most optimal machines for computer processing, are required in large quantities to enable AI development.

3.7.2 If we use AI revenue as a proxy for market growth we can see that AI is expected to see rapid growth in the near future (see **Figure 3.14**). As a result, expected revenue and spending on AI related infrastructure has been high in recent years.

3.7.3 Infrastructure capital expenditure on data centres in 2025 comprised 1.2% of US GDP[27]. This level of capital expenditure is substantially higher than the dot-com spending in 2000 and is approaching the expenditure levels for building the railroads in the Gilded Age. Data from JP Morgan's Michael Cembalest shows that the leading AI chip manufacturer Nvidia is on pace to capture the highest share of market-wide capital spending since IBM's peak revenues in 1969, surpassing that of Cisco, Lucent and Nortel in the dot-com revenue boom (see **Figure 3.15** below).

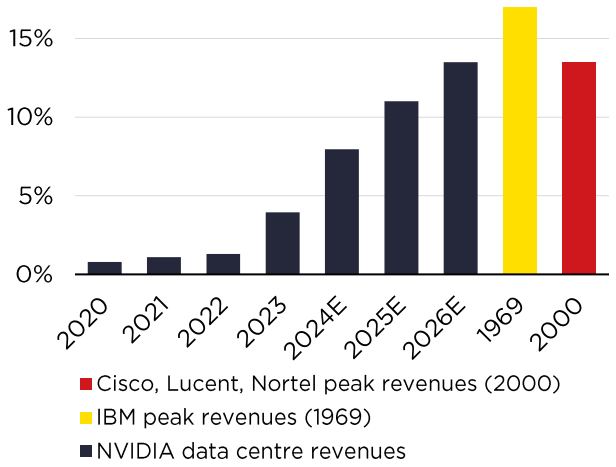
3.7.4 Whilst this data is from the US and not the UK, it helps to contextualise the strong growth in AI and data centre investment in what is the strongest market globally, and one the UK needs to try and emulate if it is to keep up. There has been evidence of the appetite of the largest technology firms to invest in the UK for data centres, including AWS planning to invest £8bn over 2024–2028 in UK data centres[28], and Microsoft committing £2.5bn over three years to expand UK AI/data-centre infrastructure[29].

Figure 3.14 Projected Global AI Revenue (Billion USD)



Source: Next Move Strategy, Statista

Figure 3.15 Share of market-wide capital spending (US)



Source: JP Morgan, Empirical Research

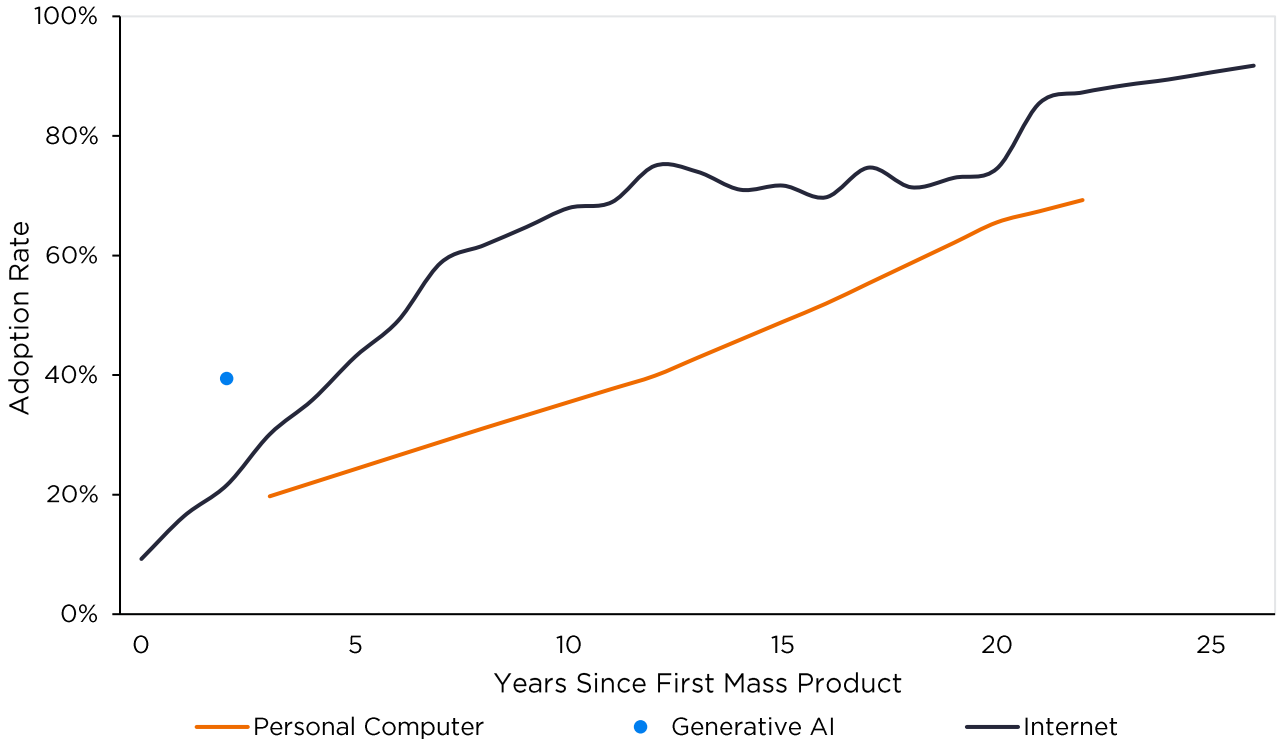
End-User Adoption

3.7.5 The strong AI revenue projections are unsurprising given the rapid adoption of AI by end users. **Figure 3.16** below demonstrates the adoption rates of new technologies in the years following the first mass product. It shows that generative AI tools like ChatGPT and Gemini are being adopted faster than breakthrough technologies of the past. The St. Louis Federal

[27] Parul Kedrosky, Jens Nordvig. Available at: https://paulkedrosky.com/honey-ai-capex-ate-the-economy/
[28] https://www.gov.uk/government/news/chancellor-announces-8-billion-amazon-web-services-investment-as-she-vows-to-make-every-part-of-britain-better-off?
[29] https://www.gov.uk/government/news/boost-for-uk-ai-as-microsoft-unveils-25-billion-investment?

Reserve has estimated that the rate of adoption for generative AI is roughly twice as fast as the Internet and the personal computer in their early stages. Again, whilst this data is from the US and not the UK, it helps to contextualise the strong utilisation of AI systems which is being mirrored here in the UK. According to PwC's Annual CEO Survey (2025)[30], 93% of UK CEOs say their businesses have adopted GenAI to some extent within the last year. This has more than doubled since the results of the 2024 survey, indicating further adoption of this technology in a work setting. Further to this, UK CEOs are ahead on GenAI adoption compared with their global counterparts, where 83% have adopted GenAI to some extent.

Figure 3.16 Adoption Rate of Generative AI at Work and Home versus the rate for other technologies



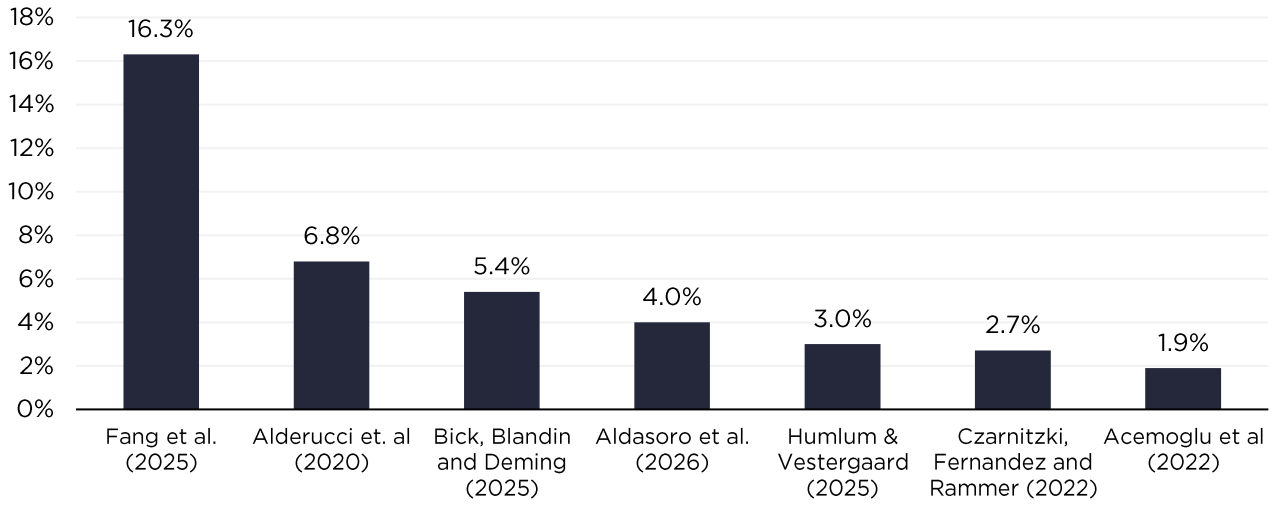
Source: Federal Reserve Bank of St. Louis 2024[31]

Impacts on the wider economy

3.7.6 The consensus among both AI experts and economists is that generative AI will lead to the automation of tasks that are currently providing employment. This is expected to lead to the increase in productivity in two main channels. Firstly, the majority of jobs are in sectors which are only partially exposed to AI automation, meaning that human intervention will still be required. For these jobs, following the automation of tasks using AI, workers will have some of their time freed-up to complete other tasks that can increase total output, and therefore productivity. As shown in **Figure 3.17** below, many academic papers have found a circa 2-16% increase in productivity within firms after the adoption of AI automation.

[30] Available at: https://www.pwc.co.uk/ceo-survey.html
[31] Available at: https://www.stlouisfed.org/on-the-economy/2024/sep/rapid-adoption-generative-ai

Figure 3.17 Effect of AI adoption on annual worker productivity growth within firms



Source: Fang et al. (2025)[32]; Alderucci et. al (2020)[33]; Bick, Blandin and Deming (2025)[34]; Aldasoro et al. (2026)[35]; Humlum and Vestergaard (2025)[36]; Czarnitzki, Acemoglu et al (2022)[37].

3.7.7 Secondly, and perhaps more importantly, are the future expected gains in productivity from workers initially displaced by AI automation. Whilst AI adoption will inevitably replace some roles, it is also expected to generate new ones — both directly through emerging AI-driven industries, and indirectly through higher economic output created by workers whose productivity is enhanced rather than substituted. The **OECD** notes that up to *27% of jobs are at high risk of automation* in advanced economies, yet many displaced workers are reabsorbed into new sectors over time (OECD, 2023[38]). The short-term transition may be disruptive, but over time, increased demand in the wider labour market is likely to support the re-employment of many of those affected (World Economic Forum, 2023[39]).

3.7.8 There is a clear historical precedent for this pattern. The rise of the internet displaced many traditional manual and clerical roles, yet also created entirely new occupations such as web designers, software developers, and digital marketers. These new roles boosted aggregate incomes, which in turn drove demand in other sectors such as healthcare, education, and leisure. A study by economist David Autor and colleagues, using US Census data, found that around *60% of workers today are employed in occupations that did not exist in 1940* — illustrating the long-term capacity of technological innovation to generate entirely new occupations (Autor et al., 2020[40]).

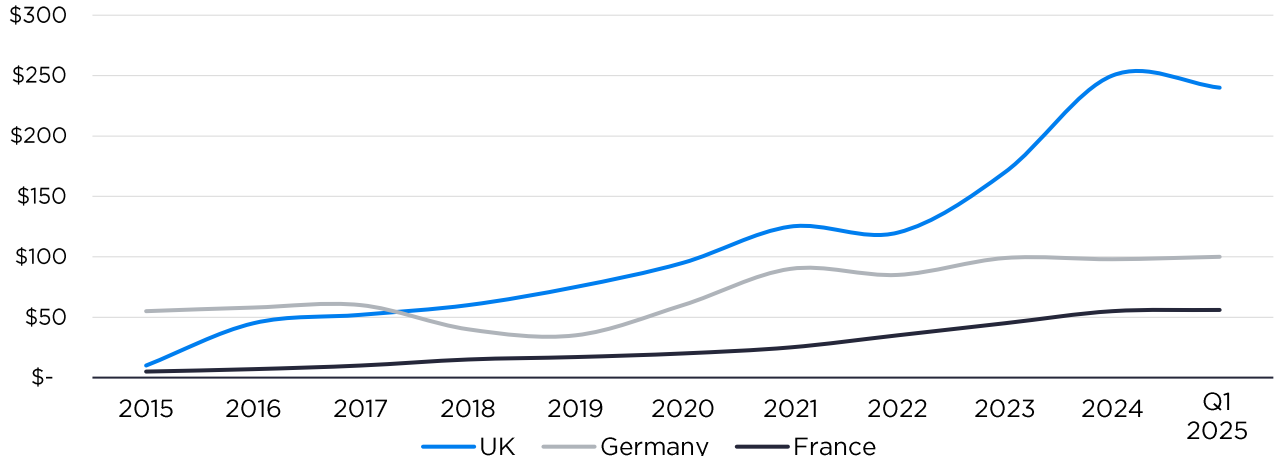
[32] Fang, Lu, Zhe Yuan, Kaifu Zhang, Dante Donati, and Miklos Sarvary. "Generative AI and firm productivity: Field experiments in online retail." arXiv preprint arXiv:2510.12049 (2025).
[33] Alderucci, Dean, et al. "Quantifying the impact of AI on productivity and labor demand: Evidence from US census microdata." Allied social science associations—ASSA 2020 annual meeting. 2020.
[34] Alexander Bick, Adam Blandin and David Deming, "The Impact of Generative AI on Work Productivity," St. Louis Fed On the Economy, Feb. 27, 2025.
[35] Aldasoro, Iñaki, Leonardo Gambacorta, Rozalia Pal, Debora Revoltella, Christoph Weiss, and Marcin Wolski. "AI adoption, productivity and employment: Evidence from European firms." BIS Working Papers, no. 1325 (2026).
[36] Humlum, Anders, and Emilie Vestergaard. Large language models, small labor market effects. No. w33777. National Bureau of Economic Research, 2025.
[37] Acemoglu, Daron, and Pascual Restrepo. "Tasks, automation, and the rise in US wage inequality." Econometrica 90.5 (2022): 1973-2016.;
[38] OECD (2023) Artificial Intelligence and the Future of Work. Organisation for Economic Co-operation and Development.
[39] World Economic Forum (2023) Future of Jobs Report 2023
[40] Autor, D., Mindell, D., & Reynolds, E. (2020) The Work of the Future: Building Better Jobs in an Age of Intelligent Machines. MIT Task Force on the Work of the Future

3.7.9 AI presents a similar case for modern economies. In the short term, automation will replace certain tasks traditionally performed by humans, but the productivity gains from freeing up labour have the potential to stimulate economic growth and improve living standards over time. This trajectory mirrors previous technological revolutions — including the industrial revolution — where initial disruption was followed by substantial net improvements in productivity, employment composition, and overall quality of life. The UK Government's Department for Science, Innovation and Technology emphasises that the scale of these benefits will depend heavily on proactive investment in reskilling, education, and regional economic strategies to manage the pace of transition (DSIT, 2024[41]).

Strong research but limited development

3.7.10 The UK has the potential to be one of the world leaders in AI development if the sector is supported. Venture capital has understood the future benefits of AI development and financing has grown rapidly in UK AI companies. As such, there has been growth in the value of these companies who have received funding (**Figure 3.18**), and this growth has been faster in comparison to European countries such as Germany and France. The vast majority of these companies are creating AI and AI related products that would require data centre infrastructure to develop and take to market.

Figure 3.18 Combined market valuation of the UK AI sector (billions)



Source: Tech Nation Report 2025, Data from Dealroom.

3.7.11 However, a lot of these companies are unable to develop products as they would like to. The Observer creates a Global AI Index[42] to benchmark nations on their level of implementation, innovation and investment in AI. Overall, the UK ranks the fourth highest out of all countries. When these rankings are split into the individual 'pillars' (shown in **Table 3.1**) the UK ranks strongly in all areas apart from infrastructure and development. These are the 'pillars' most relevant to data centre capacity. Tortoise Media defines these 'pillars' as below:

- **Infrastructure** - "Infrastructure assesses the scale of advanced computing infrastructure and semiconductor manufacturing."

[41] Department for Science, Innovation and Technology (2024) AI and Employment in the UK. UK Government
[42] https://observer.co.uk/data/global-ai

- **Operating Environment** - "focuses on public attitudes towards, and adoption of, AI at a broad societal level."

3.7.12 Despite the strong rankings in the other pillars, the poor performance for Infrastructure (17th) is holding back the UK's AI sector. Building new data centres is critical to addressing this weaknesses. The UK scores poorly in the Operating Environment category also. However, as we have discussed throughout this report, AI adoption is strong in the UK. The remaining category within this pillar is 'public attitudes towards AI'. This notion forms a key mechanism of this needs assessment, to demonstrate the often misunderstood benefits of AI.

Table 3.1 UK's rankings in The Observer's Global AI Index 2025

Talent	Infrastructure	Operating Environment	Research	Development	Government Strategy	Commercial Ecosystem
5th	25th	29th	4th	5th	4th	4th

Source: The Observer

The World Leading AI Safety Institute

3.8 Data Centres are Crucial to Delivering the Government's Modern Industrial Strategy

3.8.1 As detailed in **Section 2**, AI, cloud computing, and therefore data centres, are essential to delivering this strategy and supporting the eight key growth sectors.

3.8.2 Below we detail the links between data centre infrastructure and the targeted growth sectors in the Industrial Strategy, and detail some specific case studies of firms that have seen improvements as a result of products or services derived from data centre infrastructure. These case studies serve to demonstrate the significant economic impact of data centre infrastructure, and how it is crucial to the UK's future economic success.

Creative Industries



Source: Lux Aeterna

Impact from Data Centre Infrastructure

Creative industries are increasingly reliant on computing technology. More media content is being generated and consumed than ever, which requires data centre capacity. Further to this, media products are increasingly produced with computer generated images or AI imagery which generate substantial computing loads. In order to enable future, cutting edge creative technologies, the expansion of data centre infrastructure will be required.

Case Study – Lux Aeterna

Emmy Award-winning independent visual effects studio Lux Aeterna uses generative AI and neural networks for VFX production. Their dedicated R&D department trains bespoke AI models to assist in tasks such as restoring archival footage and asset creation. Alongside on-site CPU and GPU rendering, AWS Cloud rendering is integrated into their infrastructure to provide additional computing power.

Digital and Technology



Source: OpenAI

Impact from Data Centre Infrastructure

Of all the growth sectors identified in the Industrial Strategy, the link between data centre infrastructure and the digital and technology industries is perhaps the most pronounced. Whether they are AI firms training new models, software developers relying on high-speed connectivity, or technology companies leveraging the computing power that data centres provide, businesses in this sector are among the most dependent on robust data centre infrastructure to sustain and expand their future operations.

Case Study – OpenAI

In the UK, OpenAI has established a presence with a London office, its first international location, which is set to expand further. The company's operations in the UK include research and engineering teams contributing to frontier AI models and providing support to local businesses and startups.

OpenAI is involved in a strategic partnership with the UK government, formalised through a Memorandum of Understanding. This partnership aims to expand AI security research collaborations, explore investments in UK AI infrastructure, including exploring potential routes to deliver the infrastructure priorities outlined in the government's AI Opportunities Action Plan and find new ways to use AI in taxpayer-funded services.

Professional and Business Services



Source: Luminance

Impact from Data Centre Infrastructure

Similar to the financial sector, data centre infrastructure is fundamental to business and professional services, enabling the secure and efficient transfer of documents and data. As cloud computing and AI technologies continue to advance, data centres will become even more critical to the productivity, innovation, and operational success of firms within these sectors.

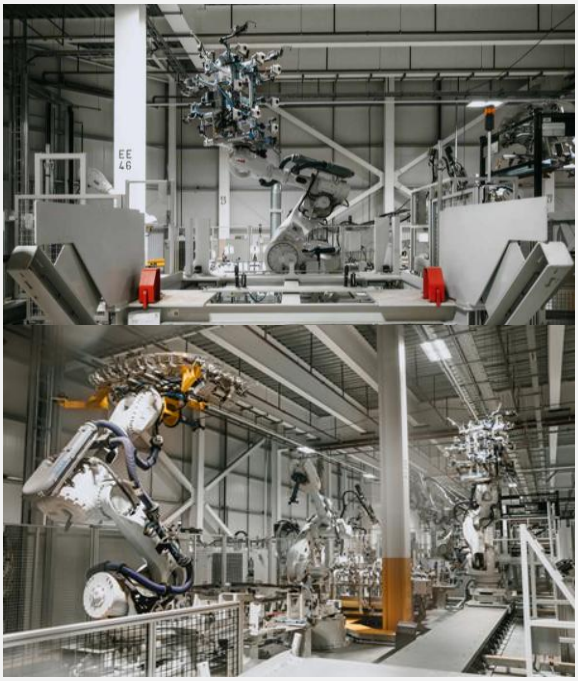
Case Study – Luminance

Luminance, a UK-based legal tech startup founded in 2015, has revolutionised the legal industry by applying artificial intelligence to document analysis and due diligence. Developed using machine learning from the University of Cambridge, Luminance helps law firms and in-house legal teams rapidly review and understand large volumes of legal documents.

Adopted by over 500 firms in more than 60 countries, including magic circle firms like Slaughter and May, Luminance demonstrates how AI can enhance efficiency and reduce costs in legal practice. Its success reflects the UK's position at the forefront of AI innovation in professional services, particularly in the highly regulated and document-heavy legal sector.

Luminance's core platform infrastructure is built and hosted on AWS (Amazon Web Services). However Luminance have worked with Azure OpenAI to deliver a chatbot powered by generative AI. The link between data centre infrastructure and the success of Luminance is clear to see. Not only is data centre capacity required to store and process the legal documents securely, it is also required to train and process the requests of the generative AI elements.

Advanced Manufacturing



Source: JLR

Impact from Data Centre Infrastructure

Data centre infrastructure plays a vital role in advanced manufacturing by supporting cloud computing, AI, and smart machinery. Advanced manufacturing can process vast amounts of data in real-time, enabling predictive maintenance, automation, and AI-driven quality control. Cloud-based platforms allow machines and systems to be interconnected, optimising production lines and supply chains with minimal downtime. Digital twins and robotics can all be used by manufacturers in the R&D stage to both test and improve but also to make manufacturing processes quicker and more efficient.

Case Study - Jaguar Land Rover – Halewood, Mersey

JLR has invested over £250 million to transform its existing factory in Halewood, Merseyside in preparation for electric vehicle production. A fleet of 750 robots, laser alignment technology, and cloud-based infrastructure join 3,500 JLR employees on the factory floor to produce the manufacturer's next-generation vehicles.

Cloud enabled infrastructure such as this requires data centre provision to manage these production chains. Further, with the advancement of AI, these production chains can further improve efficiency and therefore productivity.

Defence



Source: Anduril

Impact from Data Centre Infrastructure

Data centre infrastructure plays a crucial role in modern defence operations, serving as the backbone for storing, processing, and transmitting vast amounts of sensitive military data. These facilities underpin command and control systems, intelligence gathering, logistics, and advanced warfighting technologies like AI and machine learning. Data centres will also be crucial in the R&D and manufacturing stage of cutting edge defence technology through AI, simulations and production.

Case Study - Anduril

Anduril Industries, founded in 2017 by the founder of Oculus VR and other tech veterans, is an American based defence technology specialising in advanced autonomous systems including drones, surveillance networks and command and control networks using AI, robotics and computer vision.

Anduril has been active in the UK since 2019, securing contracts with the UK Ministry of Defence (MOD) and other government bodies. It has rapidly expanded its UK operations, significantly increasing its local workforce and intends to continue this growth, focusing on high-value technology manufacturing. The company's UK activities include research and development in autonomous systems and AI-enabled command-and-control platforms, aligning with the UK's vision for a resilient and innovative defence sector. Due to the reliance on data and AI, there are obvious links between high-tech defence companies such as Anduril and data centre infrastructure. For example Anduril work extensively with Oracle Cloud Infrastructure, especially with their Lattice software.

Finance



Source: Thought Machine

Impact from Data Centre Infrastructure

Financial services rely heavily on digital infrastructure (i.e. data centres) for secure data storage, real-time transaction processing, and compliance with data privacy laws.

The finance sector was a leading driver of the first wave of data centres in London, servicing trading operations and providing data back-up.

Case Study – Thought Machine

Thought Machine, a UK-based fintech founded in 2014, delivers Vault Core, a cloud-native core banking platform built around smart contracts. Designed to modernise legacy banking systems, Vault Core is used by leading financial institutions including Lloyds Bank, SEB, and Standard Chartered. Thought Machine partners with major cloud providers such as Google Cloud and AWS, enabling clients to deploy and scale banking services globally with high availability, security, and compliance. The platform is infrastructure-agnostic, supporting both public and hybrid cloud environments, and integrates seamlessly with a wide ecosystem of fintech and technology partners.

Clean Energy



Source: Rolls-Royce

Impact from Data Centre Infrastructure

Data centres benefit the clean energy industry in the research and development stage. Data centres also generate a demand for clean energy due to the vast quantities of power they require. Data centre operators are increasingly concerned with their environmental impact, with the majority of data centre operators prioritising net-zero energy.

Many data centre operators have signed up to the Climate Neutral Data Centre Pact, which is a self-regulatory initiative backed by major European cloud and data centre operators, developed in cooperation with the European Commission. It commits signatories to matching their electricity consumption with at least 75% carbon-free energy on an hourly basis by the end of 2025, rising to 100% by 2030.

Case Study – Rolls-Royce SMR

The UK government has selected Rolls-Royce SMR as its preferred bidder to deliver the country's first small modular reactors (SMRs), committing £2.5 billion over the next few years through Great British Energy – Nuclear to fund the development. The initiative aims to power approximately 3 million homes, create up to 3,000 skilled jobs, and build a foundation for long-term clean energy resilience.

Data centres, requiring 24/7 low-carbon power and stable pricing, are viewed as ideal off-takers for SMR output. Rolls-Royce is already in early discussions with major tech operators and exploring microreactor variants for remote or space-based digital infrastructure. A fleet of SMRs could supply up to 1.5 GW by the early 2030s.

Life Sciences





Source: Latent Labs

Impact from Data Centre Infrastructure

Data centre capacity is critical to advancing life sciences by powering cloud computing, AI, and data-intensive research. Data centre infrastructure can enable researches to process and analyse larger datasets from genomics, clinical trials, and medical imaging in real-time. Further, there has been a rapid increase in the use of AI in drug discovery, precision medicine, and AI-driven diagnostics. Cloud platforms also support global collaboration, allowing scientists to share data securely and scale their work efficiently. In order for UK based scientists to compete globally, a mass rollout and adoption of data centre related services will be required to fuel productivity.

Case Study – Latent Labs

Founded in 2023 by former DeepMind scientist Simon Kohl and headquartered in London (with operations in San Francisco), Latent Labs seeks to make biology programmable via generative AI. Based in the UK, the company builds foundational models to design novel proteins and synthetic molecules, speeding up drug discovery. It has recently launched its frontier AI model Latent-X that can be used by scientists in both commercial and non-commercial uses.

Latent Labs have partnered with Amazon Web Services (AWS) and therefore require data centre infrastructure in order to train the generative AI models. They also require data centre infrastructure to run the simulations that can be used for drug discovery.

4 Data Centre Market Assessment

4.1 Introduction

4.1.1 This section first establishes the strong growth in data centre capacity globally. Next, we define an appropriate Study Area relevant to the Subject Site. Within the Study Area, key supply and demand signals are then considered with the aim to objectively assess the local market strength for additional data centre capacity.

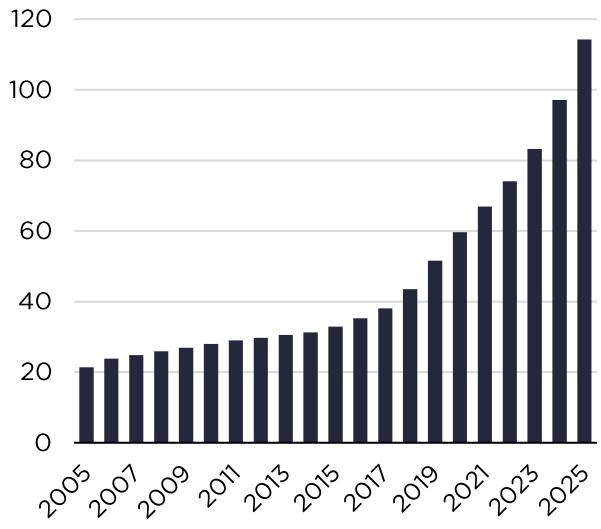
4.1.2 The consideration of market signals is a key requirement of the National Planning Policy Framework August 2026 ('NPPF') (Policy E1 and Policy E2) in relation to both 'plan making' and 'decision making' policies.

4.2 Global Data Centre Trends

4.2.1 Reflective of the demand drivers in the data centre sector as described in **Section 3,** there has been a rapid increase in installed computing power globally. **Figure 4.1** below shows that the global installed data centre capacity per year (expressed in gigawatts abbreviated to GW) is almost 6 times higher in 2025 than in 2005.

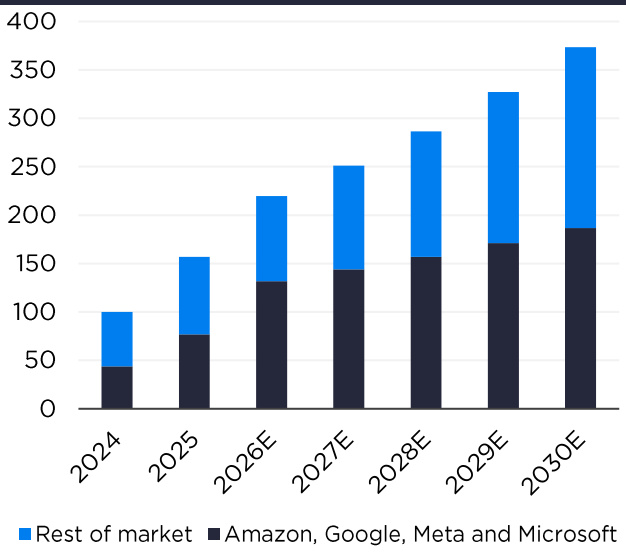
4.2.2 **Figure 4.2** below indicates this growth in data centre capacity is likely to continue into the future given capital expenditure on data centres is forecast to be over 3.5 times higher in 3030 compared to 2024 in response to increased demand for computing services and AI.

Figure 4.1 Global Installed Data Centre Capacity (GW)



Source: International Energy Agency

Figure 4.2 Indexed Data Centre Capital Expenditure (2024 = 100)



Source: Financial Times, Dell'Oro Group, Baron Fung

4.3 The London Availability Region

4.3.1 Within Europe there are five well-established data centre markets: Frankfurt, London, Amsterdam, Paris, & Dublin (FLAP-D). These markets are interconnected through a network of subsea and terrestrial cables in order to provide communication networks. The London

availability region is the largest of the FLAP-D markets in terms of computing power, falling only behind Northern Virginia in the USA in the global rankings.

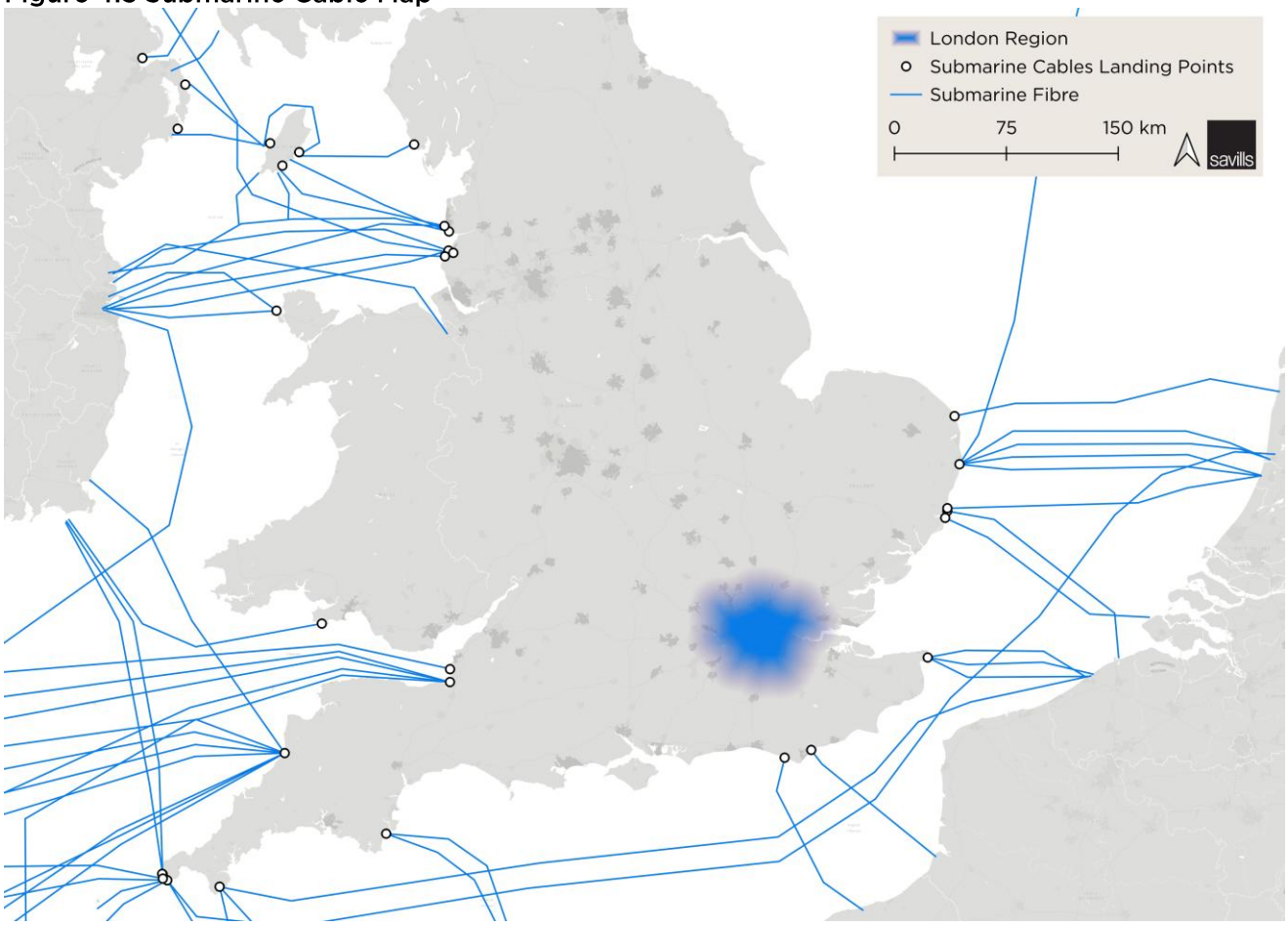
4.3.2 London's data centre market has its roots in finance. The first wave of development was driven by financial institutions in the City of London and, later, Canary Wharf, who sought "disaster recovery" facilities at secure locations beyond the capital's core. Early facilities were established in locations with access to resilient power supplies, extensive telecommunications infrastructure and strong connectivity to central London. Hayes emerged as one of these key locations, benefiting from its position in West London, proximity to Heathrow Airport and the M4 corridor, and access to multiple fibre and carrier networks.

4.3.3 Over time, the concentration of data centres and associated digital infrastructure within and around Hayes established the area as a distinct data centre cluster, now recognised as the Hayes Availability Zone (HAZ). The HAZ is one of the principal availability zones serving the wider London market and accommodates facilities operated by established data centre providers, including VIRTUS Data Centres and Colt Data Centre Services.

4.3.4 London and the HAZ have further strengthened their positions through the continued expansion of domestic and international connectivity. Since the 1990s, growth in submarine cable capacity and terrestrial fibre networks has significantly enhanced connections between the United Kingdom, continental Europe and North America, supporting the rapid and resilient transmission of data between major international markets.

4.3.5 Within this wider network, Hayes benefits from its proximity to central London and Heathrow Airport, access to diverse fibre routes, and connectivity to major cloud and network providers. These characteristics have supported the continued expansion of the HAZ, including investment in new hyperscale data centre capacity, and reinforced its role as an important component of the London Availability Region. As such, London, and by extension the HAZ, remains a highly attractive location for continued investment in digital infrastructure, of which the Proposed Development is a direct representation. A map of these international cables is shown in **Figure 4.3** below.

Figure 4.3 Submarine Cable Map

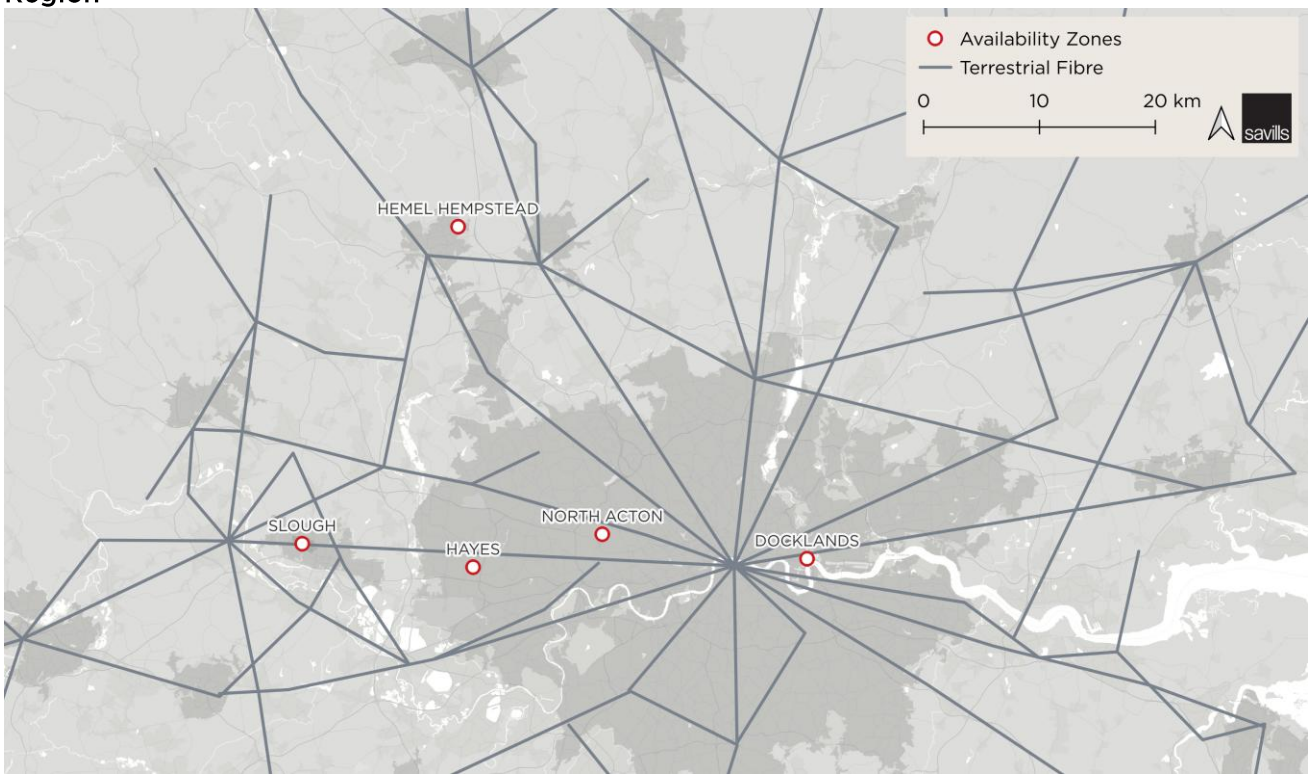


Source: Savills, ITU Broadband Mapping programme, TeleGeography

4.4 London Availability Zones

4.4.1 As mentioned in **Section 2.3**, within Availability Regions there are a number of Availability Zones working together to share the load. The separate London Availability Zones are Slough, Hayes, Hemel Hempstead, North Acton and the London Docklands (shown in **Figure 4.4** below).

Figure 4.4 Map of the midpoints of the major Availability Zones within the London Availability Region



Note: These points represent indications of the broad geographic midpoints of the availability zones

Source: Savills, ITU Broadband Mapping programme, TeleGeography

The Hayes Availability Zone

4.4.2 The Subject Site is located within the Hayes Availability Zone (HAZ), one of the principal data centre clusters within the London Availability Region. The HAZ is centred on Hayes and extends across adjoining parts of west London and the M4/Heathrow corridor. There is no single prescribed boundary because individual operators define availability zones according to their network architecture, latency requirements and existing infrastructure. For this assessment, the HAZ is represented by the Study Area defined below in **Section 4.5**, which encompasses the Subject Site and the principal concentration of existing and planned data centre capacity relevant to it.

4.4.3 The HAZ forms part of London's established east-west pattern of data centre development. The Greater London Authority's data centre evidence identifies Hayes as an established cluster, alongside the Isle of Dogs and Park Royal, with further development increasingly concentrated in outer London boroughs. The HAZ includes substantial operational and planned facilities in Hayes, Southall and adjoining areas, including campuses operated or being developed by VIRTUS Data Centres, Colt Data Centre Services, Ark Data Centres and CyrusOne.

4.4.4 Growth within the HAZ reflects the limited supply of sites capable of meeting the requirements of modern data centres. As set out in **Section 2.3**, these requirements include access to substantial and resilient power supplies, high-capacity fibre connectivity, sufficient

land for buildings and supporting infrastructure, and proximity to existing facilities within the availability zone. Development land meeting these criteria is scarce across Greater London and is subject to competition from industrial, logistics, residential and other uses. These constraints reinforce the concentration of investment within established locations where the required digital and utility infrastructure is already present or can be secured.

4.4.5 The principal factors supporting the HAZ's development as a data centre cluster are:

- **Proximity to London's users:** The HAZ is located within Greater London and close to major concentrations of businesses, public institutions and residents. This enables operators to provide the low-latency connectivity required for cloud services, financial transactions, digital media, artificial intelligence and other data-intensive applications.
- **Established data centre capacity:** Existing facilities provide the basis for further investment by operators seeking capacity within an established availability zone. The clustering of facilities supports resilient service architecture, including workload distribution, data replication, disaster recovery and continuity of service.
- **Access to strategic power infrastructure:** Data centres require large and resilient electricity connections that cannot generally be accommodated through standard local distribution supplies. Current investment in Hayes demonstrates the availability of direct transmission-level solutions. For example, the infrastructure strategy for the expansion of Hayes Digital Park identifies two independent National Grid connections providing 250 MW of secured power, with phased delivery anticipated between 2027 and 2029.
- **Dense fibre connectivity:** The HAZ benefits from west London's established telecommunications infrastructure and its connections to central London, other data centre clusters, national fibre networks and international routes. This connectivity allows facilities within the HAZ to exchange data rapidly with customers, networks and other facilities across the London Availability Region. In addition, the HAZ benefits from access to London's dense terrestrial fibre network, which provides onward connectivity to national network infrastructure and international submarine cable landing stations, including routes serving North America and Europe (see Figure 4.3). This connectivity, combined with the concentration of data centre capacity within the HAZ, enables operators to provide low-latency, resilient services as part of the wider London Availability Region.
- **Availability of industrial sites:** Hayes, Southall and the wider Heathrow corridor contain established industrial and commercial areas capable of accommodating larger development plots than central London. This has supported the development of multi-building campuses, although the remaining supply of suitably located and unconstrained land is limited.
- **A growing development pipeline:** Continued investment and a pipeline of further data centre capacity provides clear evidence of the HAZ's importance to the market. These will be explored further in our supply review in **Section 5.4**.

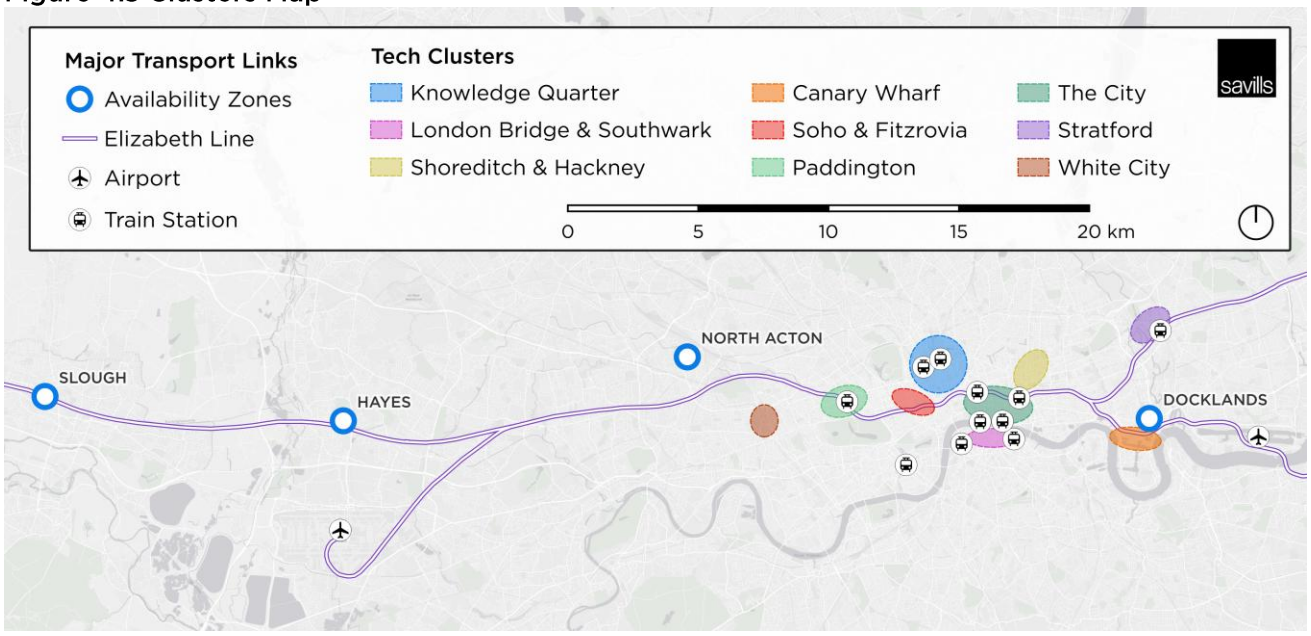
4.4.6 Taken together, these factors make the HAZ a highly competitive and strategically advantageous location for data centre investment in the UK. Its unique combination of proximity to London, availability of suitable land, access to high-voltage power, dense fibre connectivity, and a mature ecosystem of global technology positions the area as the leading availability zone serving the capital. This enables operators to scale computing capacity rapidly and cost-effectively, directly supporting the surging demand for cloud services, AI processing, and other data-intensive applications.

London's Tech Clusters Rely on Data Centre Proximity

4.4.7 As alluded to above, the concentration of hyperscale and colocation data centres in the HAZ has had economic impacts extending well beyond the data centre sector itself. In particular, the availability of secure and low-latency digital infrastructure has supported the emergence and growth of a series of technology and innovation clusters across London.

4.4.8 These clusters are typically characterised by high concentrations of digital, creative, financial, scientific and knowledge-based businesses whose operations depend on the rapid storage, processing and transfer of large volumes of data. Key examples include the Knowledge Quarter (King's Cross), London Bridge and Southwark, Shoreditch and Hackney (Tech City), Canary Wharf, Soho and Fitzrovia, Paddington, the City of London, Stratford and White City. Whilst each cluster exhibits different specialisms, all benefit to varying degrees from proximity to London's digital infrastructure ecosystem and the exceptionally low-latency connectivity provided through the HAZ. These are shown in **Figure 4.5** below.

Figure 4.5 Clusters Map



Source: Savills.

4.4.9 The relationship between these clusters and the HAZ reflects the increasingly fundamental role that digital infrastructure plays in supporting modern economic activity. In the City of London and Canary Wharf, financial institutions, trading platforms and fintech companies depend on low-latency connections to support real-time transactions, market operations

and cloud-based services.

4.4.10 In Shoreditch and Hackney (known as Tech City), Stratford and White City, fast and resilient access to cloud computing and data processing underpins software development, artificial intelligence, life sciences research and other technology-intensive activities. Similarly, media, broadcasting and creative businesses concentrated in Soho, Fitzrovia and London Bridge rely on high-capacity network connections for content production, rendering, storage and global distribution.

4.4.11 The Knowledge Quarter (in King's Cross) and Paddington innovation districts also require access to advanced computing infrastructure to support research institutions, universities, life sciences organisations and technology businesses.

4.4.12 As discussed in **Section 2** the Draft London Plan Consultation recognises the growing importance of digital infrastructure to London's economic competitiveness. It seeks to support the delivery of the infrastructure required to accommodate future growth in data-intensive sectors. This includes recognising the role of data centres as critical infrastructure that enables the operation of key economic clusters and supports innovation, productivity and employment across the capital.

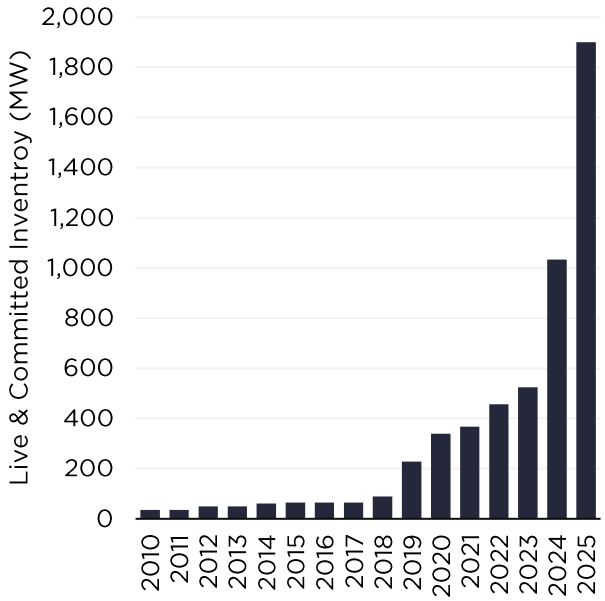
4.4.13 Continued investment in the HAZ and wider London availability region will therefore be essential to ensuring that London's established technology, financial and knowledge-based clusters can continue to grow and remain internationally competitive. The provision of additional data centre capacity will play a critical role in meeting the digital infrastructure requirements of these clusters and supporting London's future economic growth.

4.4.14 Data centre development can also generate local benefits through employment, skills development, educational partnerships and investment in supporting infrastructure. Colt Data Centre Services' approved expansion at Hayes Digital Park is one such example. The proposal includes three hyperscale data centres, an Innovation Hub developed in partnership with Brunel University, technical apprenticeships and a district heating network intended to reuse waste heat. Colt has stated that the development, providing 97 MW of data centre IT capacity, would support more than 500 permanent jobs when operational. These commitments illustrate how investment in data centre capacity can support local skills, enterprise and infrastructure alongside its primary digital function.

4.5 Data Centre Market Signals

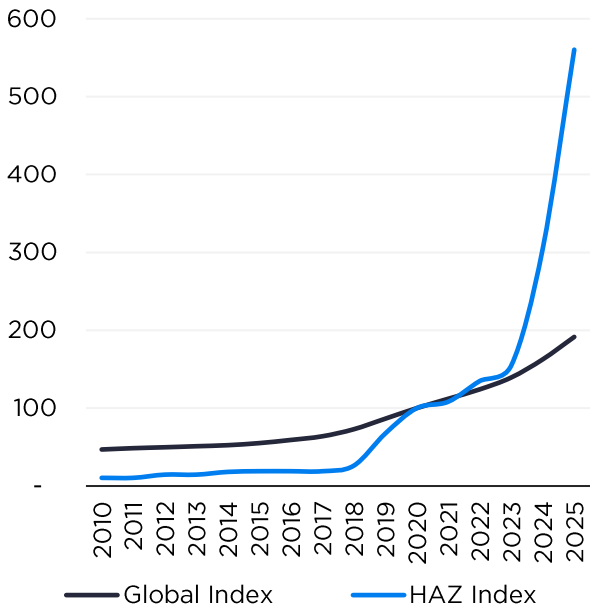
4.5.1 **Figure 4.6** below shows the data centre computing power within the HAZ as measured in by IT load capacity in MW. It primarily shows the rapid rollout of data centre capacity in the HAZ, responding to the strong market demand. As a result, the computing capacity in the HAZ in 2025 is around 20 times greater than the capacity in 2018, with continued rapid growth in 2026. Further, if we compare the growth in data centre capacity in the HAZ with global trends, we can see that the capacity has risen substantially faster in the HAZ (see **Figure 4.7**). This clearly underlines the HAZ as being a premier data centre location globally.

Figure 4.6 – Data Centres Capacity in the HAZ (MW)



Source: Savills analysis of planning applications and DCByte data.

Figure 4.7 – Indexed Data Centre Capacity in the HAZ and Globally (2020 = 100)



Source: Savills analysis of planning applications, DCByte data, and the International Energy Agency.

Defining a Study Area for the Subject Site

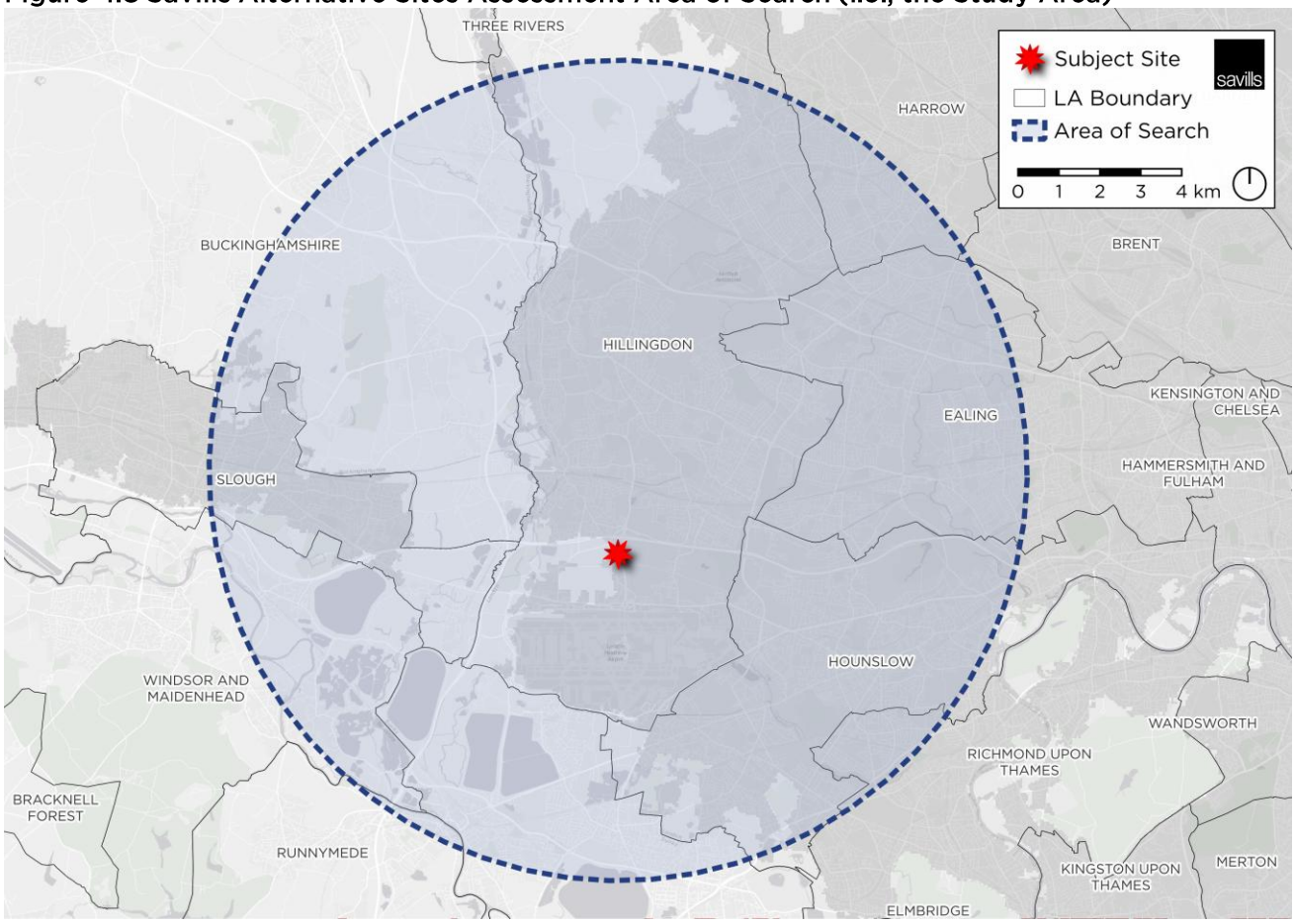
4.5.2 Before we can consider market demand and supply signals relevant to the Subject Site (in **Section 5**), we first need to determine an appropriate Study Area. The Study Area needs to be relevant to the Subject Site and is effectively the broad 'area of search' within which data centre operators will consider when looking to develop or lease space in the local area. Effectively the Study Area will include the competitor locations to the Subject Site for meeting data centre need locally.

4.5.3 For consistency, we have used the same Study Area as outlined in Savills Alternative Sites Assessment (ASA) prepared by Savills Planning. We agree this to be a correct and reasonable Study Area relevant to the Proposed Development. This area is shown in **Figure 4.8** and has regard to:

- Being within 10km of the central point of the Hayes Availability Zone. We have assumed this central point to be the centre point of four closely located VIRTUS data centres (London 5, London 6, London 7, and London 8) at Stockley Park; and
- Being within 10km of a 132kV GSP substation.

4.5.4 Further details on how the Study Area has been defined can be found in the ASA. Note fibre connectivity was not deemed as a constraint in the area given the area has a rich fibre network. **It is important to note there is no single geographic definition of the HAZ. This is because different data centre operators may define it slightly differently based on their specific operational requirements. Regardless of this, we consider our Study Area to contain the majority of the HAZ's existing data centre stock and future supply. Given this, our Study Area is considered comparable to previous definitions of the HAZ.**

Figure 4.8 Savills Alternative Sites Assessment Area of Search (i.e., the Study Area)



Source: Savills Alternative Sites Assessment.

5 Future Data Centre Demand and Supply

5.1 Introduction

5.1.1 The previous sections of this report have outlined the key demand drivers in the data centre sector, and how the expansion of this critical national infrastructure is imperative to meeting the UK Government's stated economic goals.

5.1.2 In this section, we first review recent data centre decisions relevant to the Subject Site. Next, we estimate the future need for data centres within the Study Area specifically. Finally, we compare our future need estimate to the current planning pipeline of data centre schemes within the Study Area.

5.1.3 This exercise demonstrates a significant shortfall in supply exists. It is therefore Savills view that the Subject Site is clearly needed to help address part of this need shortfall.

5.2 Review of Recent Data Centre Decisions

5.2.1 Alongside the supportive Government policy for data centres, there have been a number of recent planning decisions which help to demonstrate the strong demand for data centres. These include:

December 2024 – Court Lane, Iver (Ref: 3337981)

Decision – The decision notices accepted the demonstrated need for data centres in the Slough and Hayes availability zones and that '*the Secretary of State further agrees with the Inspector's assessment that significant weight should be attached to the need for new data centres'* and that '*She agrees with the Inspector that failure to meet this need could have significant negative consequences for the UK digital economy*'[43]

Need Forecast - This need figure was produced by Knight Frank who collated their 'known' short to medium term (3-5 years) requirements.

May 2025 – Land off Bedmond Road, Abbots Langley (Ref: 3346061)

Decision – Whilst not in the Slough Availability Zone, the '*Secretary of State agrees that there is a very significant level of demand in the Hemel Hempstead AZ and that there is a need for this additional capacity to be provided in this AZ*' and '*agrees that a failure to provide enough sites to meet the need for new data centres could result in investment being lost to other well-established markets outside the UK.*'[44]

Need Forecast - This forecast, prepared by Montagu Evans, is based on JLL's market intelligence regarding demand levels and future requirements from several major global market players over the assessment period. It includes unfulfilled demand from 2022 and has been grossed up to reflect total market need, using current market share data to project the overall growth in data centre capacity required.

[43] Decision Notice: Court Lane Industrial Estate, Court Lane, Iver, SI0 9HI (ref: 3337981 – 6 December 2024)
[44] Decision Notice: Land off Bedmond Road, Abbots Langley (REF:3346061– 12 May 2025)

June 2025 - Iver Heath, (Ref: PL/24/2130/FA)

Decision – The '*Officers acknowledge that there is currently a need for data centres within the Slough Availability Zone. In dealing with other proposals for data centres within the surrounding area, the Council has also accepted that there is a need for data centres.*' [45]

Need Forecast - There was a need figure produced by Knight Frank who collated their 'known' short to medium term (3-5 years) requirements. Before this Knight Frank figure, Montagu Evans had estimated future data centre needs in a 2022 report using a trend based approach built upon historic delivery data.

July 2025 - Woodlands Park, Iver (Ref: 3347353)

Decision – '*The Secretary of State agrees with the undisputed position that need within the Slough Availability Zone (SAZ) has continued to rise significantly, from a short to medium term need of 1700MW identified in the Court Lane decision to a mid-range estimate of some 2,486MW of additional capacity needed between 2024 and 2029.*'[46]

Need Forecast – Similar to the Court Lane decision referenced above, the need forecast is based on JLL's market intelligence regarding demand levels and future requirements from several major global market players over the assessment period. It includes unfulfilled demand from 2022 and has been grossed up to reflect total market need, using current market share data to project the overall growth in data centre capacity required. Montagu Evans then updated this with a growth rate reflective of the increase in historic rates.

June 2026 – Manor Farm East, Iver (Ref: 3366043)

Decision – '*The Secretary of State agrees the unmet need for data centre capacity in the SAZ is 1,259 MW. He further agrees that there was no alternative to the appeal site and no alternatives that could meet the unmet need in general. He further agrees that there is an overwhelming demonstrable unmet need for the type of development proposed.*'[47]

Need Forecast – The need forecast was prepared by Savills and was based on DCByte data for the Study Area / SAZ over the period 2019-2024. This identified average annual deliveries of 208 MW and a compound annual growth rate of 25.4%, which was then projected forward over the period 2025-2030. This resulted in an estimated future demand of 2,970 MW. When set against identified supply of 1,152 MW and potential Slough Trading Estate capacity of 559 MW, this resulted in an unmet need of 1,259 MW by 2030. The forecast was also tested against other market evidence, including Montagu Evans, IDC and McKinsey scenarios, all of which supported the conclusion that there was a substantial need shortfall in the SAZ.

5.3 Savills Assessment of Future Data Centre Need

Compliance with the Planning Practice Guidance

5.3.1 We consider our need estimation methodology for data centres to be compliant with the requirements of the Planning Practice Guidance (PPG) as it is *'based on the past take-up of employment land and property and/or future property market requirements'*[48].

[45] Decision Notice: Dromenagh Farm, Sevenhills Road, Iver Heath, Buckinghamshire (REF:PL/24/2130/FA– 12 June 2025)
[46] Paragraph 18: Appeal Decision and Inspector Report (ref. 3347353)
[47] Paragraph 17: Appeal Decision and Inspector Report (ref. 3366043)
[48] In accordance with PPG Paragraph: 027 Reference ID: 2a-027-20190220

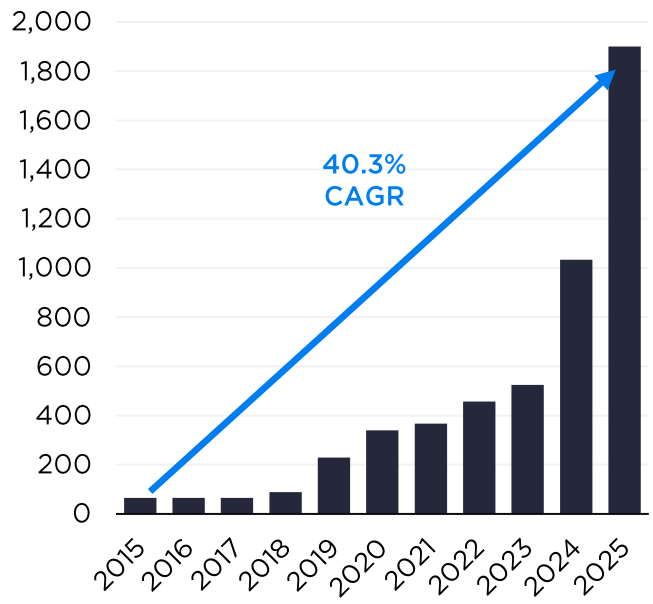
5.3.2 We present our demand and need estimates over a six-year period (2026-2031, inclusive). Given the intended timescale of the Subject Site and Proposed Development, alongside the dynamic and fast-moving nature of the digital economy, we do not consider a longer projection period to be necessary nor useful. In saying this, given the strong demand drivers and committed capital expenditure noted in the preceding sections, it is clear that data centre demand will continue to be strong beyond 2031.

5.3.3 To help understand future demand within the HAZ, we consider:

- Submitted DC planning applications not yet approved;
- Approved DC planning applications including those under construction with, as yet, no live capacity; and
- Existing live DCs, based on analysis of DCByte data.

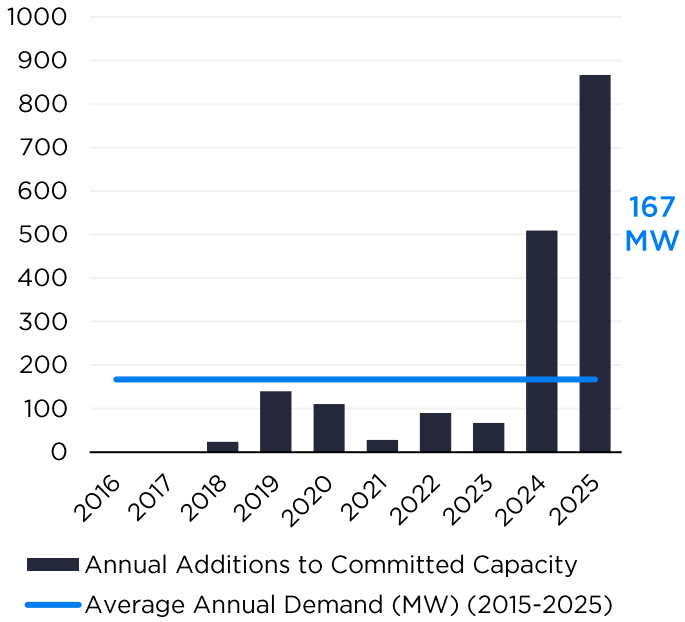
5.3.4 We have undertaken this analysis covering the period 2015-2025 inclusive, which yields a combined total of DC demand in the HAZ of 167 MW per annum. The average compound annual growth rate (CAGR) over this same period is 40.3%. These calculations are shown in **Figure 5.1** and **Figure 5.2** and represent the baseline numbers we use to estimate future data centre demand (2026-2031) in MW.

Figure 5.1 – Data Centre Demand in the HAZ (MW)



Source: Savills analysis of DCByte data[49] and planning applications.

Figure 5.2 Data Centre Annual Demand in the HAZ (MW)



Source: Savills analysis of DCByte data[60] and planning applications.

5.3.5 The results of this analysis are shown in **Table 5.1** and represent the demand for new data centres per annum in MW over our projection period 2026-2031.

[49] Analysis of DCByte's live supply data. DCByte updates this dataset on a regular basis as new information becomes available. Historic records may also be revised retrospectively, particularly where initial MW capacity figures were unknown or estimated due to data centre operators not publicly disclosing capacity information.

Table 5.1 Savills Future Demand Estimates in the Study Area (MW)

	Avg. Historic net deliveries	Future projections based on adjusted 30.8% CAGR						
Time Period	**2015-2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**Total (2026-2031)**
Savills Future Demand Estimates	167	234	329	461	647	907	1,272	3,851

Source: Savills (2026) analysis using DCByte data

5.3.6 In order to validate our future need estimates, we compare these results to a number of other forecasts for future data centre demand. We refer to these as sensitivity tests.

Sensitivity Tests – 3rd Party Sources

5.3.7 Other relevant sources of future data centre needs include:

- **IDC Data Creation Trend**[50] – The IDC provide an estimate of the total data generated globally, the 'Global DataSphere' includes the total data created, captured and replicated worldwide. The forecast of this is based on device counts and capacities alongside future drivers such as device proliferation, the rise of IoT and data consumption trends. It has been used by major players in the technology industry such as Seagate[51] to forecast future data storage requirements. As mentioned throughout this assessment, there is a strong link between the quantity of data created and processed and the need for additional data centre capacity. Data centres, particularly hyperscalers, are becoming the main source of this data storage and processing capacity. Therefore, we have considered the IDC Data Creation Trend and applied it to existing data centre capacity as a further sensitivity test. Further details of this sensitivity test are shown in **Appendix C**.
- **McKinsey Demand Scenario** – McKinsey & Company have created a Data Centre Demand model in order to estimate future data centre demand. Their main demand driver in the model is AI related demand based on AI adoption trends. These include the 'continued momentum scenario' which assumes a steady integration of AI across industries in line with witnessed trends. In this case, most enterprises will adopt some AI use cases, but transformational adoption (e.g., fully AI-powered operations) remains limited to leading sectors. Their alternative 'accelerated demand scenario' assumes a rapid and widespread uptake of AI including advanced generative models in a number of industries. In simple terms, their 'continued momentum scenario' can be viewed as the baseline view, with the 'accelerated demand scenario' viewed as the upside scenario. We adopt both scenarios for further sensitivity testing. Further details of this sensitivity test are shown in **Appendix C**.
- **Brookfield** – Brookfield have also estimated future data centre demand and split their estimates between cloud, AI training and AI inference demand. As we will explore below, they estimate that, on top of the existing growth in cloud data centre demand, AI training will be the key driver of demand in the coming years, with AI inference beginning to overtake this through the 2030s. Again, we have applied their

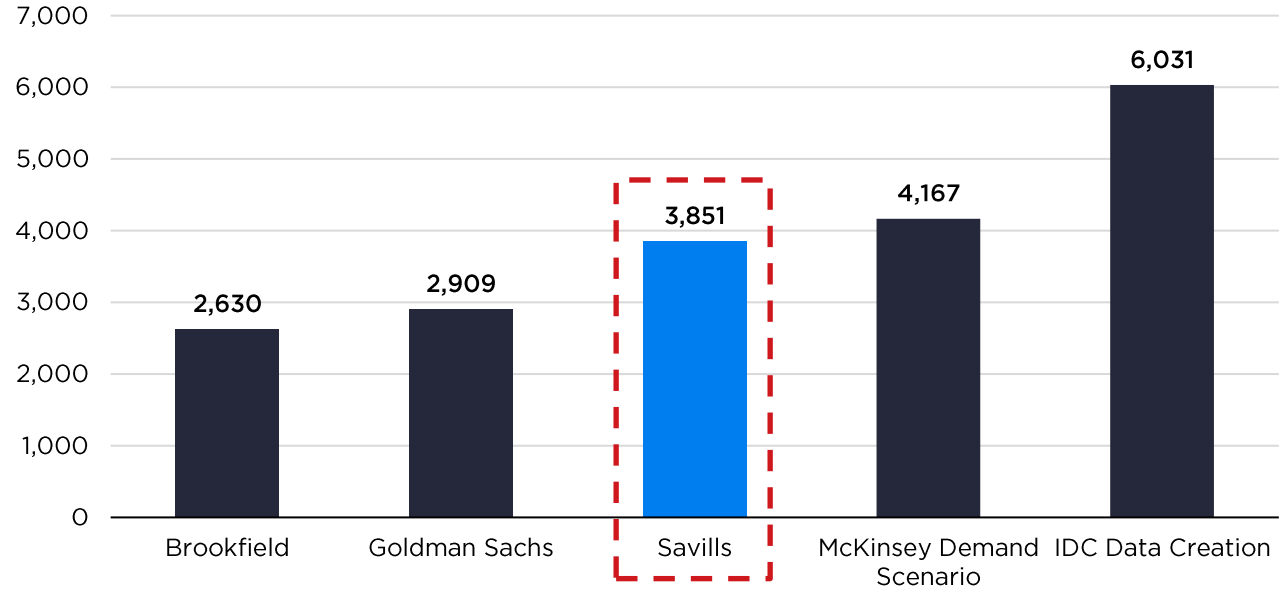
[50] https://my.idc.com/getdoc.jsp?containerId=IDC_P38353
[51] Accessible at: https://www.seagate.com/files/www-content/our-story/trends/files/dataage-idc-report-final.pdf

growth rate to the existing demonstrated demand in the Study Area. Further details of this sensitivity test are shown in **Appendix C**.

- **Goldman Sachs** – Goldman Sachs Research has produced a series of forecasts examining the impact of AI adoption on global data centre infrastructure requirements, with a particular focus on data centre power consumption as a proxy for capacity demand. Their March 2026 update forecasts that global data centre power demand will increase from approximately 411 TWh in 2023 to 1,316 TWh by 2030, equivalent to growth of around 220% over the period. Goldman Sachs attribute this growth primarily to the rapid expansion of AI workloads, including both model training and inference, alongside continued growth in cloud computing demand and ongoing investment by hyperscale operators. The forecast reflects expectations of substantial global investment in new data centre capacity to support increasing compute requirements across a wide range of sectors. For the purposes of this sensitivity test, the implied compound annual growth rate (CAGR) of around 17% between 2025 and 2030 has been applied to the current level of live data centre demand within the Study Area, providing an alternative scenario based on Goldman Sachs' assessment of future AI-driven infrastructure growth. Further details of this sensitivity test are shown in **Appendix C**.

5.3.8 If we apply the growth rates from the above sensitivity tests to the existing data centre inventory in the HAZ, we get the results presented in **Figure 5.3** below. When we compare these against the Savills figures from above, we see that the Savills estimate falls within range of the various sensitivity tests. **As such, it is Savills view that our baseline demand estimate is somewhat conservative should data centre demand trends continue to accelerate as predicted.**

Figure 5.3 Future Data Centre Demand (MW) Estimation – Study Area / HAZ (2026-2031)



Source: Savills (2026) analysis using DCByte data, IDC, McKinsey & Company, Brookfield, and Goldman Sachs.

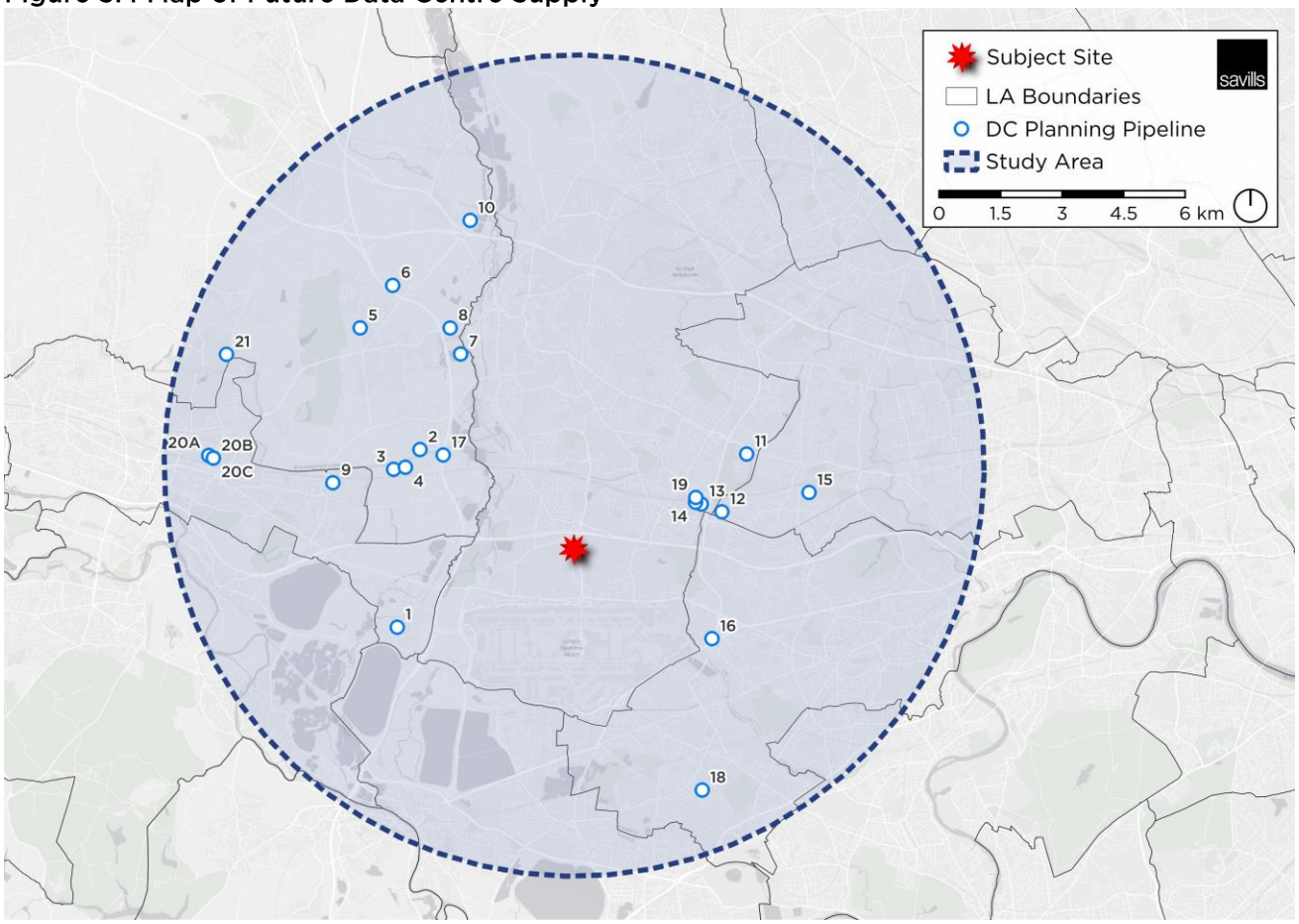
5.4 Savills Assessment of Data Centre Supply

5.4.1 Here, we seek to understand the current supply of data centres within our Study Area. As discussed, our Study Area defined in **Section 4** aligns with the HAZ. To do this, we consider approved planning applications and schemes submitted for planning but awaiting a decision.

5.4.2 The locations of these data centre schemes are mapped in **Figure 5.4** and listed in **Table 5.4**, including the MW capacity each scheme could provide based on current information.

5.4.3 **This is likely to be a generous supply assessment (i.e., 2,000 MW to 2031) given the lengthy timelines of planning applications in the UK, time restrictions on grid connections, and the long construction windows for data centres. As a result, it is unlikely all of this supply in the planning pipeline will be delivered before 2031.**

Figure 5.4 Map of Future Data Centre Supply



Source: Savills (2026) analysis of relevant planning applications using Glenigan and DCByte Data.

Table 5.4 Future Data Centre Planning Pipeline

Map Ref.	Site Name	Status	Planning Reference	Size (sqm)	Size (MW)[52]
1	Manor Farm Data Centre, Poyle Road	Outline Grant after Appeal	P/10076/013 (Slough)	41,061	107
2	The Ridgeway, Iver	Detailed Plans Submitted	PL/25/4351/FA (Buckinghamshire)	30,523	30
3	Thorney Lane Data Centre	Detailed Plans Submitted	PL/22/1775/FA; PL/25/4316/FA (Buckinghamshire)	92,304	90
4	SEGRO Park Iver, Thorney Business Park DC2	Outline Plans Granted	PL/24/3532/OA (Buckinghamshire)	106,616	150
5	Pinewood South Data Centre	Outline Plans Granted	PL/25/2076/OA (Buckinghamshire)	55,030	150
6	LON6, Iver Health, Data Park (Cyrus One)	Detailed Plans Granted	PL/24/2130/FA (Buckinghamshire)	63,267	90
7	West London Technology Park	Outline Grant after Appeal	PL/24/0754/OA (Buckinghamshire)	72,000	90
8	Sequence Park, Iver	Outline Plans Granted	PL/25/2080/OA (Buckinghamshire)	21,444	48
9	Langley Business Centre, Slough Development	Outline Plans Granted	P/00437/093 (Slough)	88,000	140
10	Denham Court Drive	Outline Plans Submitted	PL/26/04446/OA (Buckinghamshire)	60,000	100
11	Colt Hayes Digital Park (LON6 LON7 & LON8)	Detailed Plans Granted	78343/APP/2025/719 (Hillingdon)	108,000	97
12	GB Two, Ealing	Detailed Plans Granted	250949FUL (Ealing)	156,804	256
13	Union Park Data Centre	Detailed Plans Granted	75111/APP/2020/1955 (Hillingdon)	56,000	67
14	Union Park Block 4 (Extension)	Detailed Plans Submitted	75111/APP/2025/739 (Hillingdon)	15,410	22
15	CyrusOne Southall (LON7), Former Honey Monster Food Factory	Detailed Plans Submitted	253874FUL (Ealing)	55,000	108
16	Heathrow Estate Data Centre	Outline Plans Submitted	P/2025/3669 (Hounslow)	50,000	48
17	Court Lane Data Centre	Detailed Plans Submitted	PL/22/4145/OA; APP/N0410/W/24/3337981 (Buckinghamshire)	65,000	140
18	Feltham Corporate Centre - Data Centre Campus	Outline Plans Granted	P/2023/0642 (Hounslow)	46,750	68
19	Silverdale Industrial Estate	Detailed Plans Submitted	49261/APP/2024/2904 (Hillingdon)	1,914	1

[52] Note: For schemes where the MW figure is not public we have estimated this based upon market knowledge where applicable, or through a floorspace conversion of 0.00145 MW per sqm based upon case study information from a number of schemes in the local area. The details of these schemes are shown in Appendix C.

20a	Former AkzoNobel Site – Facility A and B (Yondr)	Detailed Plans Granted	P/00072/108 (Slough)	42,238	10
20b	Former AkzoNobel Site – Building C (Yonder)	Detailed Plans Granted	P/00072/139 (Slough)	25,100	40
20c	Former AkzoNobel Site – Buidlings LD15, LD16 and LD17 (Equinix)	Outline Plans Granted	P/00072/152 (Slough)	90,614	90
21	Land at Pinewood Nurseries, We	Outline Plans Submitted	PL/26/06414/OA (Buckinghamshire)	40,500	59
Total				**1,383,575**	**Up to 2,000 MW**

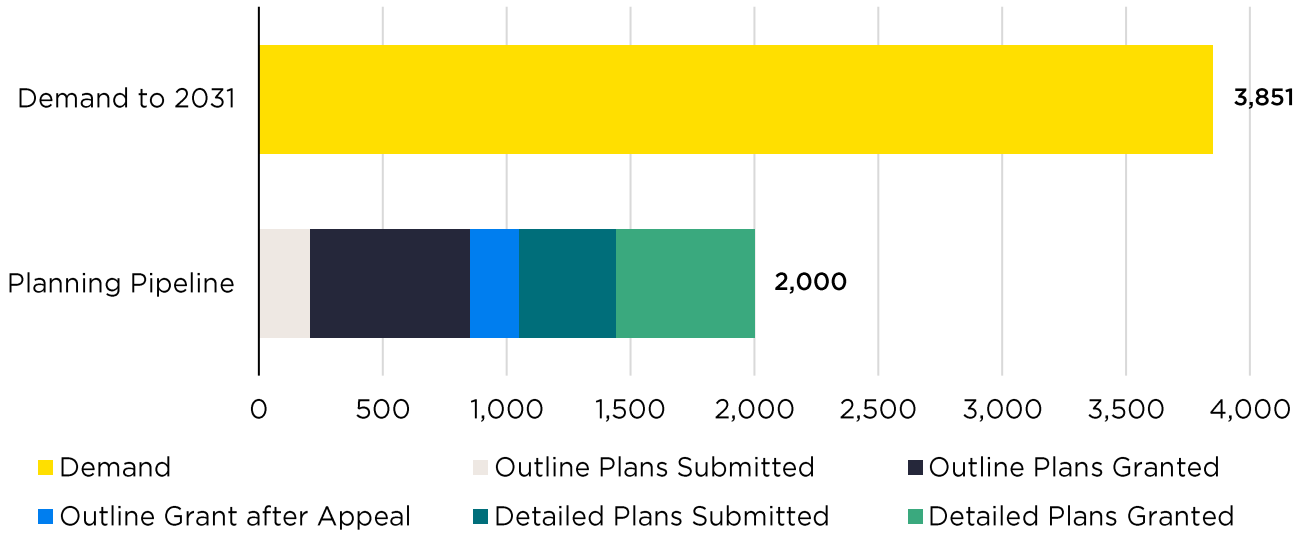
Source: Savills (2026) analysis of relevant planning applications using Glenigan and DCByte Data.
NB: Figures may not sum due to rounding.

5.5 Future Data Centre Supply and Demand Balance

5.5.1 Here, we bring together the data centre demand estimates for the Study Area / HAZ with the assessment of supply to identify if an unmet need exists (i.e., demand less supply). **Figure 5.5** below provides this demand vs supply comparison. **Based on the figures above, there is a significant unmet need of circa 1,851 MW by 2031 in the Study Area / HAZ (i.e., 3,851 MW of demand less 2,000 MW of supply).**

5.5.2 This shortfall would be even greater under IDC Data Creation Trend Scenario and the McKinsey Demand Scenario discussed in **Section 5.3**. Importantly, even under the lowest sensitivity test, the Brookfield Scenario, there would still be a significant unmet need.

Figure 5.5 Savills Demand Estimates (MW) (2026-2031) in the Study Area and Future Supply Pipeline by Category



Source: Savills analysis of relevant planning applications using Glenigan and DCByte data.

Immediacy of the Need

5.5.3 As discussed in **Section 2 and 3,** the UK economy has seen a stagnation in productivity and

economic growth, especially in the wake of the Covid-19 Pandemic. At the same time, there has been a technological revolution with the rise of cloud computing, AI, and data generation that has sparked an appetite for capital expenditure on data centre infrastructure. The need for data centre development is consequently immediate in nature.

5.5.4 If the UK fails to allow the development of urgently required data centres we risk the success of the future economy of the UK by not enabling the growth sectors in the Modern Industrial Strategy. Further to this, due to the rampant demand for data centres, if a tone is set that the UK is not open for investment we risk limiting future investment opportunities from global investors. These investors may seek to invest in other countries that are more supportive of data centre development.

5.5.5 Further, due to the lengthy timelines of planning applications in the UK, time restrictions on grid connections and the long construction windows for data centres means that it is not a given that all of supply in the planning pipeline listed in **Table 5.4** will be delivered before 2031. Given the demonstrated difficulties connecting to the power grid, it is unlikely that all of this supply will gain access to power within the window to 2031. **In this regard the 2,000 MW supply figure may be an overestimate of future supply within the forecast period (2026-2031).**

Meeting this need within the Study Area / HAZ

5.5.6 This above unmet need to 2031 is indeed substantial, and will therefore require sites such as the Subject Site to be developed in order to meet this demand and help secure the economic benefits as described in **Section 3**. Due to the locational requirements of data centres, it is largely incorrect to state that this demand can be met elsewhere in London or the UK. The demand figures, and subsequent need shortfalls, presented above are specific to the Study Area / HAZ and other availability zones would have their own demand and supply balances that would need to be considered. Given the national demand for data centres and constraints on supply across the UK, many of these other availability zones would likely have a need shortfall too.

5.5.7 There is the potential that cloud operators may try to build out data centre infrastructure in other availability zones to provide redundancy. However, as noted above, development in other availability zones would not replace the need for development in the HAZ. Instead, this redundancy-linked demand would be additive. This is an important concept due to the requirement for load balancing within availability zones, which means that data centre capacity in one availability zone cannot be substituted by capacity in another availability zone. This is noted within the Abbotts Langley decision notice[53] which takes into account the "*importance of load balancing between each Availability Zone*" and that "*the Secretary of State agrees that there is a very significant level of demand in the Hemel Hempstead AZ (IR209) and that there is a need for this additional capacity to be provided in this AZ (IR210)*"[54].

[53] Decision Notice: Land off Bedmond Road, Abbots Langley (REF:3346061– 12 May 2025)
[54] Recovered appeal: Woodlands Park Landfill Site, Land South Of Slough Road, Iver, Buckinghamshire (ref: 3347353 – 9 July 2025)

5.6 Wider Consequences of Not Meeting Data Centre Need

5.6.1 If the demand for data centres is not met within the UK and specifically within the most in demand areas, such as the Study Area / HAZ, the economy will be negatively impacted in the future. The UK Compute Roadmap, produced by DSIT details some examples of how it would negatively impact the economy:

> "*By 2030, limited domestic … capacity could seriously affect the UK economy. It may prevent the country from meeting sovereign needs like NHS or national security use cases that require secure, local data processing. Latency-sensitive technologies, such as autonomous vehicles and high-frequency trading, may be held back because they rely on real-time compute that can't be outsourced.*"[55]

5.6.2 Rejecting investment into projects, such as the Proposed Development, may signal to the wider market that the UK is not aiming for growth. Accordingly, companies may choose to reallocate investment into more favourable countries that can facilitate the data centre infrastructure. This would restrict the next generation of investment into the UK and therefore undermine the Government's growth agenda and attempts to address the current stagnant productivity levels.

5.6.3 Data centre capacity going offshore also poses national security implications. For instance, the UK Compute Roadmap states:

> "*A growing dependence on foreign infrastructure could increase exposure to global supply chain risks, potentially disrupting access and raising costs.' and that 'hosting large-scale AI infrastructure … on UK soil strengthens the economy and enhances our strategic and economic resilience. [It] will ensure we are not reliant on overseas providers and insulate key elements of our economy from global shocks.*"[56]

5.6.4 Consequently, providing data centre capacity within the most in-demand areas such as the Study Area / HAZ), will assist in meeting the strong demand alongside providing critical national infrastructure on UK soil. This means that this computing capacity will not be beholden to foreign governments or providers, and therefore not be a potential security risk that could impact national security and economy resilience.

[55] DSIT, UK Compute Roadmap: evidence annex, 17 July 2025, p15
[56] DSIT, UK Compute Roadmap, 17 July 2025

6 Economic Benefits of the Proposed Development

6.1 Introduction

6.1.1 In this section, we set out the economic benefits generated by the proposed development which reinforces the importance of meeting the identified unmet need in order to provide the economic benefits associated with the Proposed Development.

6.1.2 The assessment of economic impact has followed the approach set out in guidance including the Green Book (2020), Homes and Communities Agency Additionality Guide (HCA, 2014), and the Department for Communities and Local Government Appraisal Guide (DCLG, 2016). The assessment estimates construction employment, Gross Value Added (GVA), on-site operational employment and local authority revenues over a 20-year period.

6.1.3 The assessment has utilised relevant regional and UK-level data available to consider the scale of the employment workforce, Gross Value Added (GVA) benefits, and public sector revenues.

6.2 Construction Jobs

6.2.1 When assessing the economic benefits of development, it is important to consider the benefits to the local economy during both the construction and operational phases. Data centre construction is highly technologically advanced because of the complexity of the servers, cooling systems and power redundancy infrastructure. Consequently, construction employment opportunities range from lower-skilled, accessible roles to highly skilled positions in data infrastructure and fluid engineering. Due to the technology involved in data centre construction, there are also major spillover benefits within the research and development sectors within construction methods and materials.

6.2.2 To calculate potential construction employment generated by the Proposed Development, we have used an anticipated construction cost estimate based upon comparable data centre schemes and data on the output per construction worker in the Greater London region.

6.2.3 We estimate that the construction phase will generate an average of 1,110 gross on-site construction jobs per annum across the assumed 2-year construction period. The actual number will depend on the phase of work and specific construction activities. From Kao Data's experience of developing data centres of similar scale, the level of on-site construction is likely to be considerably higher during certain specific construction peaks during periods of increased construction activity to meet milestones.

6.2.4 We have also estimated the impact of this employment on the wider economy. The steps taken to calculate this are as follows:

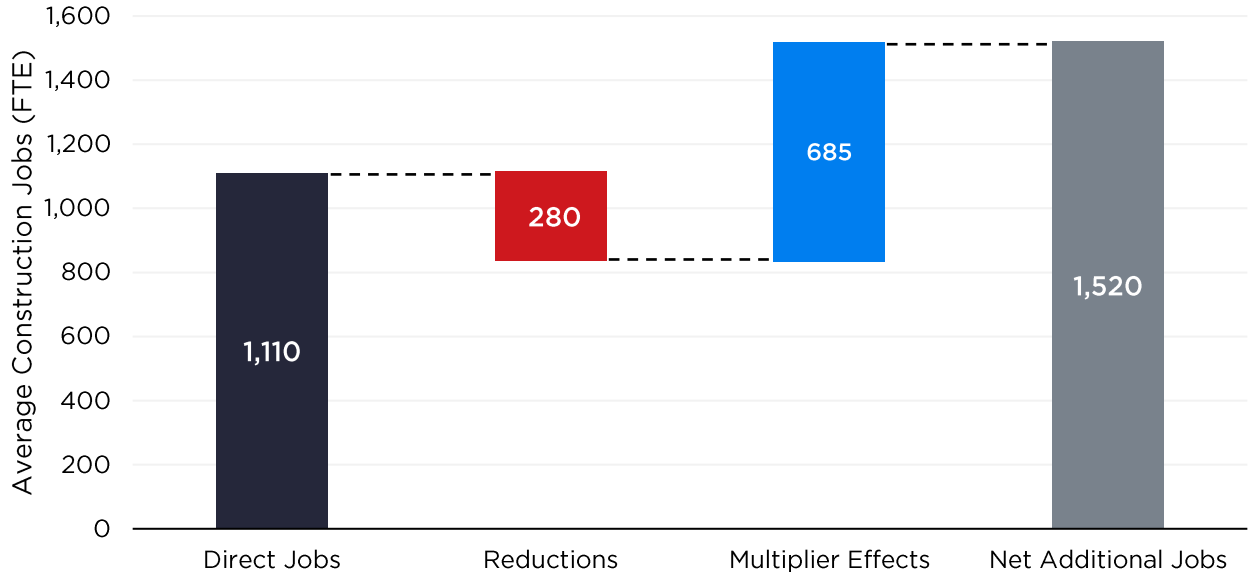
- Displacement – we allow for a low level of displacement (25%) from existing construction projects. This is based on the Additionality Guide's recommendations[57] and market reports[58].

[57] Additionality Guide (HCA, 2014).
[58] CITB Construction Skills Network 2021-2025.

- Multiplier effects – we then apply a multiplier of 1.82[59] which provides an estimate for the indirect construction employment effects (offsite benefits down the supply chain and from expenditure by the workers in the local area).

6.2.5 In **Figure 6.1** below, we present the estimated total on- and off-site construction jobs created by the Proposed Development. The Proposed Development is expected to generate 1,520 net additional jobs in the construction phase on average per year over the estimated 2-year construction period. Due to the complex nature of data centre construction, we estimate that some of the expected construction jobs may be difficult to recruit entirely within Hillingdon. We would therefore expect some leakage of jobs to nearby areas.

Figure 6.1 Estimated Construction Phase Jobs



Source: Savills (2026). Note: Figures may not sum due to rounding.

6.3 Operational Jobs

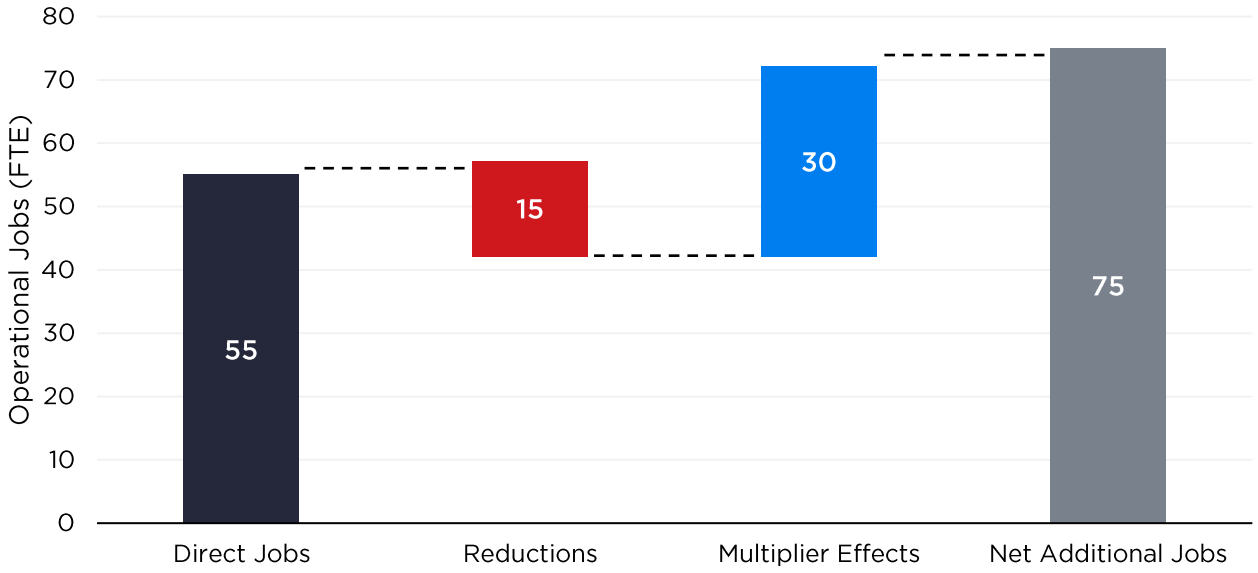
6.3.1 Operational jobs will be created by the Proposed Development once constructed. To calculate operational employment, we have applied the estimated employment density for a 'wholesale' data centre as provided by the HCA Employment Density Guide 2015. This figure most closely aligns with data centres of the size and typology of the Proposed Development and aligns with job densities of similar data centre developments in recent years. The Proposed Development would therefore be expected to directly provide 55 FTE on-site jobs.

6.3.2 In addition to on-site jobs, the Proposed Development will generate off-site indirect and induced economic benefits, such as higher supply chain and household spending to local businesses. These are referred to as 'multiplier effects' and could lead to 30 gross off-site jobs within Hillingdon and around 30 at the national level. Once the effects of displacement and multipliers have been considered, the Proposed Development is estimated to generate 75 FTE net additional jobs in Hillingdon, or 85 FTE jobs nationally.

[59] ONS, Input Output Analytical Tables, 2022.

6.3.3 In **Figure 6.2** below, we summarise the 'additionality' of the Proposed Development's operational benefits in Hillingdon. Once displacement and multiplier effects have been factored in, the Proposed Development is estimated to generate around **75 FTE on- and off-site jobs in Hillingdon.** This would positively contribute to the economic offering within and around Hillingdon, potentially providing job opportunities for the 15% of economically inactive individuals who are seeking jobs within Hillingdon[60].

Figure 6.2 Estimated Operational Phase Jobs in Hillingdon



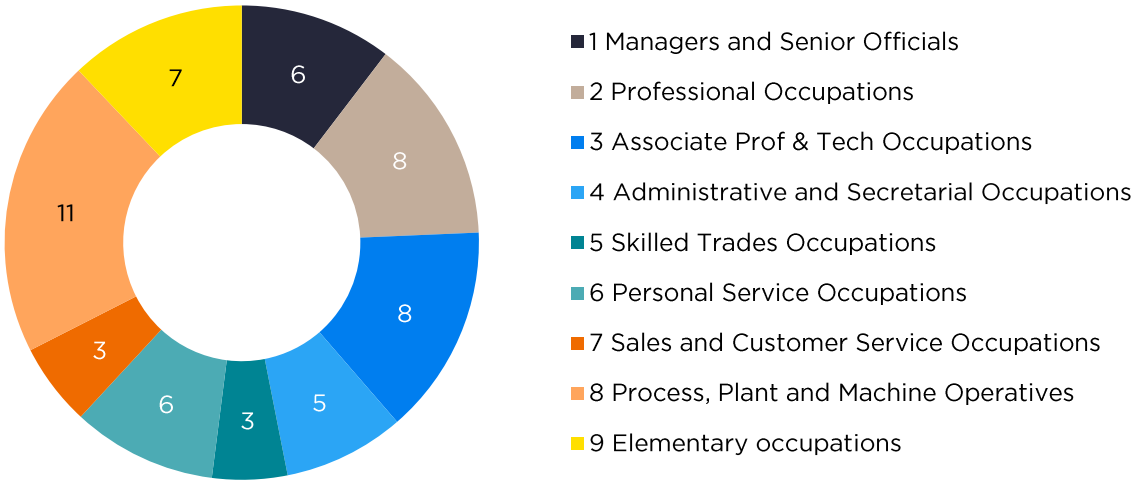
Source: Savills (2026). Note: Figures may not sum due to rounding.

6.4 Occupations and Qualifications

6.4.1 Using ONS data, we can estimate the likely occupations and skills profile of the direct jobs created by the Proposed Development. As shown in **Figure 6.3** below, of the 55 on-site jobs created by the Proposed Development, 39% will be in the highest skilled occupations (Occupation Groups 1–3). This equates to 22 of the anticipated on-site jobs. Beyond this, 38% (21 on-site jobs) would be expected to be in the lowest occupation levels (Occupation Groups 7–9), including entry-level jobs for young residents.

[60] ONS (2026) Annual Population Survey.

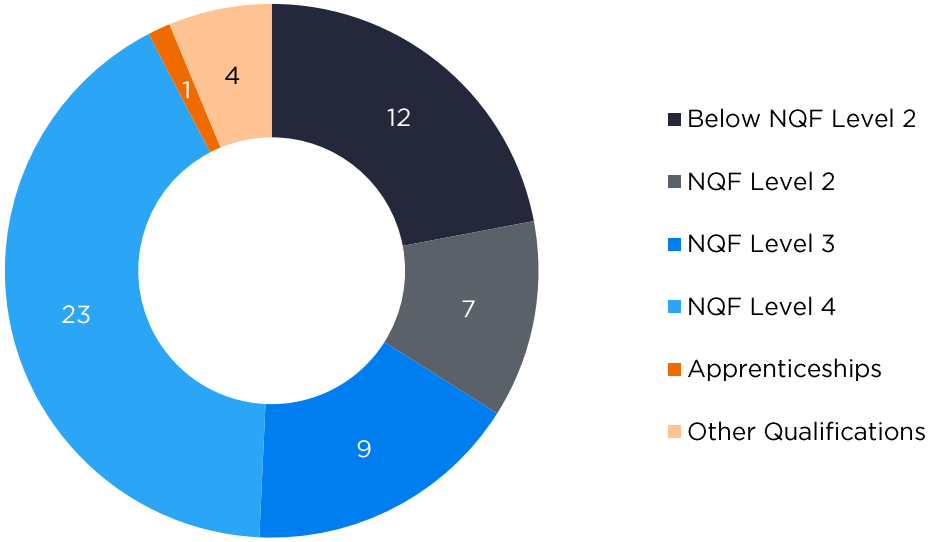
Figure 6.3 Expected Occupations of Workers at the Proposed Development



Source: Savills analysis of ONS Census (2021). Note: figures may not sum due to rounding.

6.4.1.1 Linked to the occupational profile above, 46% of jobs created by data centre developments in Hillingdon would be expected to require qualifications at NQF Level 4 or above (see Figure 4.7). This equates to 23 on-site workers. However, 54% of workers, equivalent to 31 on-site workers, would be expected to hold qualifications at NQF Level 3 or below or to have completed an apprenticeship. This is presented in **Figure 6.4** below and demonstrates that the high-quality employment opportunities, as demonstrated in **Figure 6.3** above, will be accessible to many of Hillingdon's population, even without formal educational qualifications.

Figure 6.4 Expected Qualifications of Workers at the Proposed Development



Source: Savills analysis of ONS Census (2021). Note: figures may not sum due to rounding.

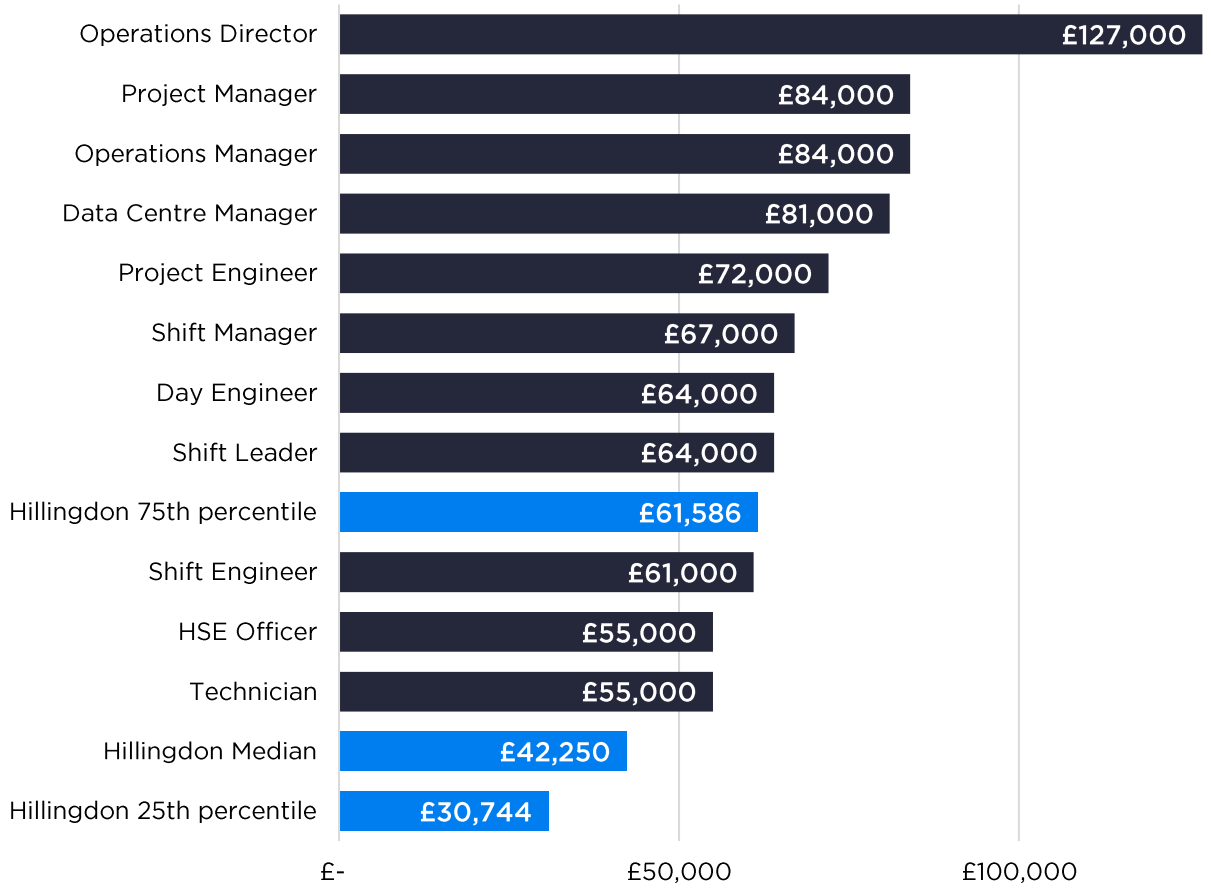
6.5 Operational Gross Value Added

6.5.1 GVA is an indicator of wealth creation, used to estimate the Proposed Development's

potential contribution to the local economy. Our figure is calculated using the average GVA per MW generated by existing data centre schemes. This is based on research by TechUK[61] on the impact of data centres on economic growth in the UK. Based on these estimates, the Proposed Development is expected to generate approximately **£116 million in direct GVA annually.** This represents a significant contribution to Hillingdon's economic output, supporting greater prosperity for local residents and higher levels of economic activity.

6.5.2 We can also evidence the value of data centres jobs through the wages of employees. Data X Connect runs an annual survey on over 1,000 data centre employees in the UK. The results of this survey, illustrated in **Figure 6.5** below, show that data centre jobs, including the lowest paid, offer salaries substantially above the Hillingdon median wage. The high wages of these employees demonstrate the benefits of data centre developments to local areas, given they provide high-quality employment for a diverse pool of candidates at high-wage levels.

Figure 6.5 Average Salary of Data Centre Roles Against the Hillingdon Median and Key Percentiles



Source: Savills analysis of Data X Connect Data Centre Salary Survey (2025) and ONS, Annual Survey of Hours and Earnings (2026).

6.6 Public Sector Revenues

6.6.1 The Proposed Development would also generate public sector revenues which can be re-invested in the community and local services. The estimate is based on current rates and

[61] TechUK: Foundations For The Future: How Data Centres Can Supercharge UK Economic Growth

values. The estimated revenues could be higher in real terms given anticipated growth in the economy over time.

6.6.2 Businesses contribute to local services by paying non-domestic rates, known as business rates. To estimate the income from business rates for the data centre floorspace, we have assessed the rateable values of comparable properties. This was achieved using information from the Valuation Office Agency (VOA). Using this data, we estimate that the Proposed Development would generate around £2.7 million in annual business rates revenue. Around 30% of this would be retained by Hillingdon Council, whilst 37% would be allocated to the Greater London Authority and a further 30% to central Government.

7 Conclusion

7.1.1 This assessment has demonstrated a clear and evidence-led case for the significant need of new data centre capacity at the Subject Site. The UK's digital economy is expanding at an unprecedented rate, driven by the rapid adoption of cloud computing, artificial intelligence, and other data-intensive technologies. This trend is not only reshaping the technology sector, but also underpinning productivity, efficiency, and competitiveness across the wider economy - from financial services and manufacturing, to healthcare, education, and logistics.

7.1.2 Our supply and demand modelling has demonstrated that the projected demand for data centre capacity in the HAZ significantly exceeds the supply that can be delivered within the currently identified sites. The magnitude of this need shortfall is such that, even if all planned capacity were brought forward, it would still fail to keep pace with the need of the market. It is Savills determination that the various sensitivity tests conducted validate our central finding: **demand for new data centre capacity is significantly greater than the available or planned supply, creating an urgent requirement for new and suitable sites such as at the Subject Site.**

7.1.3 Notably, this report demonstrates an overwhelming level of need for data centres. **Based on our demand and supply estimates, there is an unmet need of around 1,851 MW by 2031 in the Study Area / HAZ (i.e. 3,851 MW of demand less 2,000 MW of supply). This clearly demonstrates the economic and market need for the Proposed Development. The separate ASA produced by Savills also demonstrates that the Subject Site is the only site that can deliver the Proposed Development.**

7.1.4 The Proposed Development at the Subject Site offers the physical scale, infrastructure potential, and strategic location required to meet the operational specifications of hyperscale operators and cloud service providers. It would provide highly demanded computing power within the HAZ. Further to this, the demand for computing power within the HAZ cannot be provided for in other areas, as this would be too far away for adequate low latency load balancing, which is essential for the operations of data centres.

7.1.5 Additionally, the Proposed Development is expected to generate approximately **1,100 gross on-site jobs per annum over the 2-year construction period** and **55 gross on-site jobs once operational**. These operational jobs would be across a range of qualification requirements and occupations, all of which are likely to pay above the local median level. Once operational, the Proposed Development is also expected to generate around **£116 million in direct GVA annually** and **£2.1 million in annual business rates**, 30% of which would be retained by Hillingdon.

7.1.6 Its delivery would consequently strengthen the resilience and competitiveness of the HAZ and the London Availability Region. In doing so, it would secure substantial economic benefits – both direct, through construction investment, operational expenditure, and skilled employment, and indirect, through enabling innovation and productivity gains across dependent sectors.

7.1.7 National planning policy, including the NPPF (2026) and the Planning Practice Guidance, requires that Local Plans and decision-making processes take account of future economic needs, particularly for strategically important infrastructure. The Proposed Development at the Subject Site meets these criteria. It aligns with national objectives for digital infrastructure, supports the UK's net zero ambitions by enabling modern, energy-efficient data centre provision, and strengthens the resilience of critical national infrastructure in line with government strategy.

7.1.8 In summary, we consider the evidence presented within this assessment to confirm that the Proposed Development is not simply a commercial opportunity. Rather, it is a strategically necessary response to documented capacity shortfalls and an enabler of the UK's continued economic and technological capability. Failure to deliver this scheme risks constraining growth in the digital economy, diminishing the UK's competitive position, and missing a critical window to secure long-term resilience in data infrastructure. Beyond this, rejecting investment of this scale will signal to investors that the UK and Hayes are not open for business and the investment will likely relocate to competing markets in Europe.

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8 Appendix A SIC Codes of Digital Economy Sectors

SIC Description	SIC Code
Manufacture of electronic components	26.11
Manufacture of loaded electronic boards	26.12
Manufacture of computers and peripheral equipment	26.2
Manufacture of communication equipment	26.3
Manufacture of consumer electronics	26.4
Manufacture of magnetic and optical media	26.8
Wholesale of computers, computer peripheral equipment and software	46.51
Wholesale of electronic and telecommunications equipment and parts	46.52
Book publishing	58.11
Publishing of directories and mailing lists	58.12
Publishing of newspapers	58.13
Publishing of journals and periodicals	58.14
Other publishing activities	58.19
Publishing of computer games	58.21
Other software publishing	58.29
Motion picture, video and television programme production activities	59.11
Motion picture, video and television programme post-production activities	59.12
Motion picture, video and television programme distribution activities	59.13
Motion picture projection activities	59.14
Sound recording and music publishing activities	59.2
Radio broadcasting	60.1
Television programming and broadcasting activities	60.2
Wired telecommunications activities	61.1
Wireless telecommunications activities	61.2
Satellite telecommunications activities	61.3
Other telecommunications activities	61.9
Computer programming activities	62.01
Computer consultancy activities	62.02
Computer facilities management activities	62.03
Other information technology and computer service activities	62.09
Data processing, hosting and related activities	63.11
Web portals	63.12
News agency activities	63.91
Other information service activities not elsewhere classified	63.99
Repair of computers and peripheral equipment	95.11
Repair of communication equipment	95.12

9 Appendix B Data Centre Case Studies

Name	Planning Reference	Floor Area (sqm)	MW	MW/sqm
Manor Farm Data Centre, Poyle Road	P/10076/013	41,061	107	0.00261
The Ridgeway, Iver	PL/25/4351/FA	30,523	30	0.00098
Thorney Lane Data Centre	PL/22/1775/FA; PL/25/4316/FA	92,304	90	0.00098
SEGRO Park Iver, Thorney Business Park DC2	PL/24/3532/OA	106,616	150	0.00141
Pinewood South Data Centre	PL/25/2076/OA	55,030	150	0.00273
LON6, Iver Health, Data Park (Cyrus One)	PL/24/2130/FA	63,267	90	0.00142
West London Technology Park	PL/24/0754/OA	72,000	90	0.00125
Sequence Park, Iver	PL/25/2080/OA	21,444	48	0.00224
Langley Business Centre, Slough Development	P/00437/093	88,000	140	0.00159
Denham Court Drive	PL/26/04446/OA	60,000	100	0.00167
Colt Hayes Digital Park (LON6 LON7 & LON8)	78343/APP/2025/719	108,000	97	0.00090
GB Two, Ealing	250949FUL	156,804	256	0.00163
Union Park Data Centre	75111/APP/2020/1955	56,000	66.6	0.00119
CyrusOne Southall (LON7), Former Honey Monster Food Factory	253874FUL	55,000	108	0.00196
Heathrow Estate Data Centre	P/2025/3669	50,000	48	0.00096
Court Lane Data Centre	PL/22/4145/OA; APP/N0410/W/24/3337981	65,000	140	0.00215
Silverdale Industrial Estate	49261/APP/2024/2904	1,914	1	0.00052
Former AkzoNobel Site – Facility A and B (Yondr)	P/00072/108	42,238	10	0.00024
Former AkzoNobel Site – Building C (Yonder)	P/00072/139	25,100	40	0.00159
Former AkzoNobel Site – Buidlings LD15, LD16 and LD17 (Equinix)	P/00072/152	90,614	90	0.00099
Average				**0.00145**

10 Appendix C Sensitivity Testing

10.1 IDC Data Creation Trend

10.1.1 Within the 'IDC Data Creation Trend' we have applied the annual growth rate in **Table C.1** below to the data centre demand within the Study Area from 2025. The IDC are not a real estate focussed, or a town planning company, so accordingly they do not provide a demand forecast for data centre capacity within the Study Area. Throughout this assessment we have demonstrated the link between data created, stored and processed and data centre requirements. We therefore consider it valid to assume that the growth in the global datasphere is comparable to the demand for data centres. As such, in this sensitivity test we apply the growth rate of data to the Study Area's inventory to estimate annual future demand.

10.1.2 The IDC have forecast that global data creation is forecast to rise from 218.4 zettabytes (ZB) in 2025 to 718.5 ZB in 2030. This amounts to a tripling of annual data creation over the period and represents an implied CAGR of 26.9%. We apply this CAGR annually to the data centre demand that exists as of 2025 (i.e., live capacity, submitted planning applications, and approved planning applications) annually to 2030 and further use it to extrapolate to 2031. The results of this are shown in **Table C.1** below.

Table C.1 IDC Global Datasphere Annual Growth Projections

	2025	2026	2027	2028	2029	2030	2031	Net Additional Demand (i.e., 2031 less 2025)
Annual Growth Rate	–	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	–
Annual Demand (MW)	1,900	2,411	3,059	3,882	4,926	6,250	7,931	–
Net Additional Annual Demand	–	511	648	823	1,044	1,325	1,681	6,031

Source: Savills analysis of planning applications, DCByte data, and IDC (2026) 'Global DataSphere Forecast', via Western Digital (2026) 'Data Storage at Scale Is Tiered'.

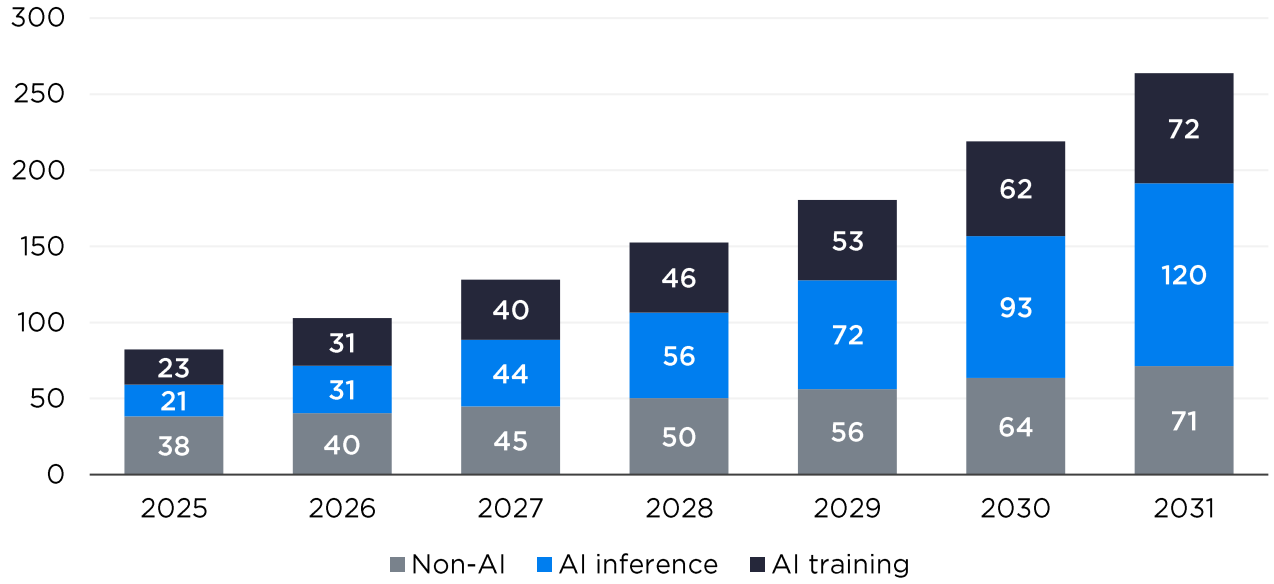
10.2 McKinsey Demand Scenarios

10.2.1 The global consulting firm McKinsey have created a 'McKinsey Data Centre Demand Model'[62] in order to forecast future global demand for data centres. Within their modelling, they use Gartner and IDC reports and data. As McKinsey's demand estimates are global, we have used their assumptions and modelling and have applied them to the Study Area in order to estimate future demand.

10.2.2 McKinsey provides their estimates up to 2030. We have consequently extrapolated the 2031 results based on the average annual growth rate of 2028, 2029, and 2030. We use only the latter three years as these represent a more conservative growth rate, where initial growth is expected to be strong and tapering off in later years. The figures for McKinsey's global data centre demand are presented in **Figure C.1** below.

[62] Available at: https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/the-next-big-shifts-in-ai-workloads-and-hyperscaler-strategies

Figure C.1 McKinsey Estimated Global Data Centre Capacity Demand (GW)



Source: McKinsey (2025) Data Centre Demand Model, and extrapolation to 2031 from Savills.

10.2.3 We have applied McKinsey's assumption that in 2025 47% of data centre demand is for non-AI related demand, 25% for AI inference demand, and 28% for AI training demand. When we apply this to the Study Area's existing data centre demand (i.e., live capacity, submitted planning applications, and approved planning applications) it results in 884 MW being 'non-AI-related', 482 MW being 'AI inference-related', and 533 MW being 'AI training-related'. If we then apply their annual growth rates to these specific categories, we get the results as shown in **Table C.2**.

Table C.2 Study Area estimations of annual demand using McKinsey's Demand Scenario

Year	Non-AI (MW)	AI Inference (MW)	AI Training (MW)	Total Data Centre Demand (MW)
2025	884	482	533	1,900
2026	933	720	720	2,373
2027	1,037	1,009	912	2,957
2028	1,159	1,300	1,064	3,523
2029	1,297	1,651	1,219	4,167
2030	1,466	2,154	1,436	5,056
2031	1,622	2,774	1,671	6,067
Net Additional Demand (i.e., 2031 less 2025)	**738**	**2,291**	**1,137**	**4,167**

Source: Savills analysis of planning applications, DCByte data, and McKinsey modelling.

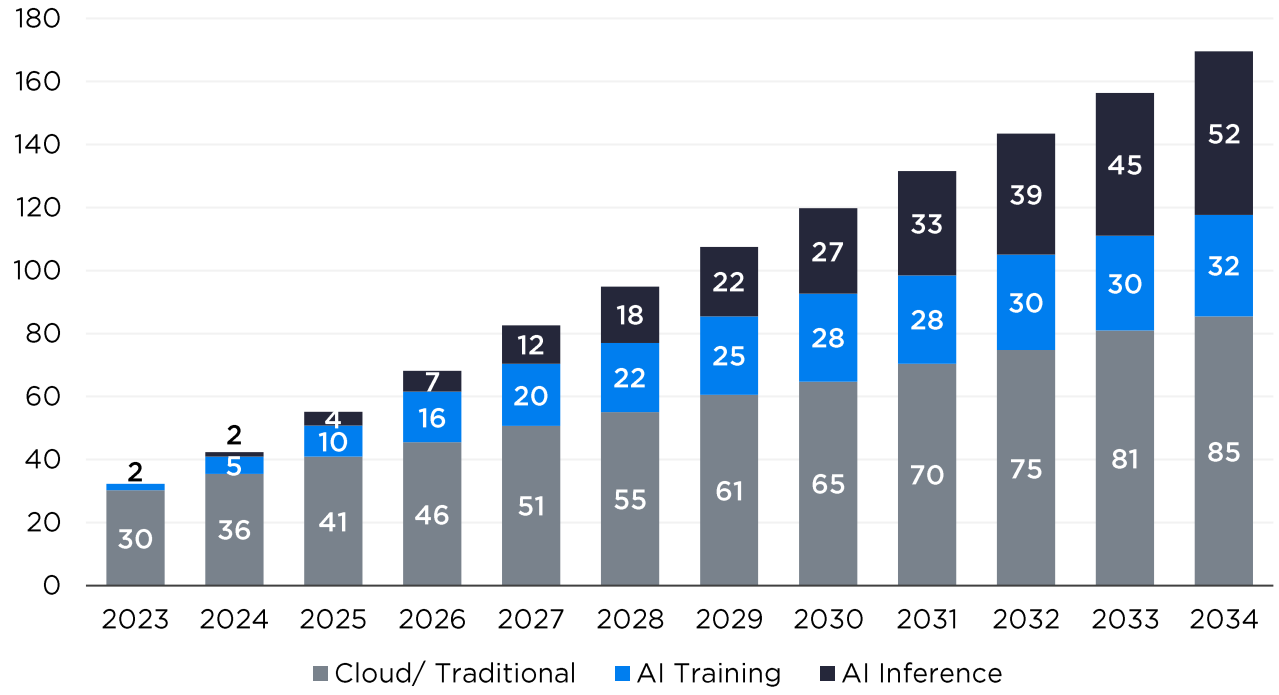
10.3 Brookfield Demand Scenarios

10.3.1 Brookfield, one of the world's largest infrastructure investors and a major participant in the

global data centre market, has produced forecasts of future data centre demand based on the underlying drivers of cloud computing and artificial intelligence. Unlike some forecasts which consider total demand only, Brookfield separates future demand into three categories: traditional cloud and enterprise workloads, AI training demand, and AI inference demand. This distinction is important because AI workloads typically require substantially higher levels of computing power and electricity consumption than traditional cloud applications.

10.3.2 Brookfield's forecasts suggest that, whilst cloud computing will continue to grow steadily, the principal driver of future data centre demand will be AI. In the earlier years of the forecast period, AI training workloads are expected to account for a significant proportion of new demand as large language models and other AI systems continue to be developed and refined. Over time, AI inference demand, being the processing capacity required to deploy and operate AI models for end users, is expected to become an increasingly important source of growth as AI adoption becomes more widespread across businesses and consumers. Their forecasts are shown in **Figure C.2** below.

Figure C.1 Brookfield Estimated Total Global Installed Base – Data Centre Demand (GW)



Source: Brookfield (2025) 'Building the Backbone of AI'.

10.3.3 As Brookfield's forecasts are presented at a global level, we have applied the relative growth rates implied by their demand model to the Study Area's data centre demand in 2025 (i.e., live capacity, submitted planning applications, and approved planning applications). The results are shown in **Table C.3** below.

Table C.3 Study Area estimations of annual demand using Brookfield demand assumptions

Year	Cloud/ Traditional (MW)	AI Training (MW)	AI Inference (MW)	Total (MW)
2025	1,408	341	151	1,900
2026	1,566	554	227	2,347
2027	1,745	678	420	2,843
2028	1,897	754	616	3,266
2029	2,086	854	761	3,700
2030	2,227	964	933	4,123
2031	2,423	964	1,143	4,530
Net Additional Demand (i.e., 2031 less 2025)	**1,015**	**623**	**991**	**2,630**

Source: Savills analysis of planning applications, DCByte data, and Brookfield demand forecasts.

10.4 Goldman Sachs Demand Scenario

10.4.1 Goldman Sachs Research has published a number of forecasts examining the future infrastructure requirements associated with the growth of cloud computing and artificial intelligence. Rather than estimating data centre demand directly, Goldman Sachs forecast future global data centre electricity consumption, which provides a useful proxy for underlying computing capacity requirements. This reflects the close relationship between data centre power consumption and installed computing infrastructure, particularly as AI-related workloads become a larger share of total activity.

10.4.2 In its March 2026 update, Goldman Sachs increased its outlook for data centre growth and forecast that global data centre power demand will rise from approximately 607 TWh in 2025 to 1,316 TWh by 2030. This represents growth of around 117% over the five-year period and implies an annual compound growth rate of approximately 17%. Goldman Sachs attribute this increase primarily to the continued expansion of hyperscale cloud providers and the rapid deployment of AI infrastructure, including both model training and inference workloads. Their research also highlights substantial planned capital investment by hyperscale operators and expects AI to become an increasingly significant component of total data centre power demand over the forecast period.

10.4.3 As Goldman Sachs' forecasts relate to global data centre power demand rather than floor space or MW capacity, we have adopted the implied compound annual growth rate of 17% between 2025 and 2030, extended this to 2031, and applied it to the current level of live data centre demand within the Study Area (i.e., live capacity, submitted planning applications, and approved planning applications). This provides a further sensitivity test based on Goldman Sachs' assessment of future AI-driven infrastructure requirements. The results are shown in **Table C.4** below.

Table C.4 Study Area estimations of annual demand using Goldman Sachs demand assumptions

Year	Total Data Centre Demand (MW)	Net Additional Annual Demand (MW)
2025	1,900	–
2026	2,218	318
2027	2,589	371
2028	3,023	433
2029	3,529	506
2030	4,119	591
2031	4,809	689
Net Additional Demand (i.e., 2031 less 2025)	–	2,909

Source: Savills analysis of planning applications, DCByte data, and Goldman Sachs Research (March 2026).