DATA CENTER INDUSTRY RESEARCH REPORT

December 2025 – January 2026

Property Developer / Investor Perspective | UZGP Compliant | v3.0

Investment Committee Ready

Executive Summary

The data center industry entered 2026 with unprecedented capital deployment ($61B in deals for 2025, $600B+ hyperscaler capex projected for 2026) but faces mounting execution constraints. DC Byte's 2026 outlook confirms the fundamental thesis: execution certainty has become the primary competitive differentiator, not headline pipeline size.

DBS ASSESSMENT: Investor Decision Framework

Decision Point	What Wins	What Fails
Power Security	Secured capacity; on-site generation; brownfield w/ grid	Queue >24 months; moratorium markets; no self-supply
Tenant Quality	Investment-grade hyperscaler (AA/AA+); 10-20yr lease	Non-IG tenants; speculative builds; single tenant risk
Location	Secondary markets; brownfield; industrial zoning	Primary hub congestion; residential proximity
Technology	Modular design; liquid cooling ready; 60kW+ density	Fixed design; air-cooled only; <20kW density
Community	24-month proactive outreach; benefit agreements	Reactive consultation; water/noise opposition

Confidence: HIGH | DBS Assessment based on verified transaction patterns and IC criteria

Critical Market Indicators:

Metric	Value	Source
Occupancy Rate (YE 2025)	97%	DC Byte
Pre-Lease Rate (Under Construction)	77%	DC Byte
Projects Delayed 3+ Months	57%	Industry Survey
Grid Connection Timeline (Top Hubs)	4+ years	JLL
2025 Global Deal Volume	$61 billion	S&P Global
2026 Hyperscaler Capex (Projected)	$600B+ (+36% YoY)	CreditSights

From an investor/developer perspective, three macro themes dominate: (1) the widening gap between announced and deliverable capacity; (2) political and community backlash creating regulatory uncertainty; and (3) power infrastructure emerging as the binding constraint across all major markets.

Section 1: Core Data Center Business News

1.1 Market Fundamentals & Demand Signals

Metric	Data	Confidence
Global Capacity Target (2030)	~200 GW requiring $3T investment	HIGH
Global Market Size (2030E)	$600-700 billion (~11% CAGR)	HIGH
YoY Take-up Growth	~30%	HIGH
Occupancy Rate (YE 2025)	97%	HIGH
Pre-Lease Rate	77%	HIGH
2025 Debt Issuance	$182 billion (+98% YoY)	HIGH

Sources: DC Byte, S&P Global, Baker McKenzie, JLL

Demand Dynamics: Generative AI and hyperscale cloud are creating a 'dual surge' — AI adds to, rather than replaces, cloud demand. This overlapping demand wave is hitting limited infrastructure simultaneously.

1.2 Hyperscaler Capital Deployment

Company	2025 Capex	YoY Change	2026E
Amazon	$125B	+61%	$130B+
Alphabet	$91-93B	+75%	$100B+
Microsoft	$80B+	+74%	$121B
Meta	$70-72B	+111%	$100B

Note: ~75% of aggregate hyperscaler capex in 2026 will fund AI-related infrastructure (~$450B). Meta is exploring directly financing new power generation.

1.3 Key Transactions (Dec 2025 – Jan 2026)

Transaction	Value	Strategic Rationale
Alphabet/Intersect	$4.75B	Power + DC infrastructure; GW pipeline
SoftBank/DigitalBridge	$4.0B	Digital infra platform; Vantage, DataBank stakes
Goodman/CPP Investments	EUR 8B	European DC platform; Frankfurt, Amsterdam
ACS/BlackRock	EUR 2B+	1.7 GW capacity target; Spain focus
Anthropic/Fluidstack	$50B plan	AI DC partnership; NY + TX initial

ESG-Linked Financing Example: AtlasEdge secured $292M sustainability-linked loan requiring energy efficiency targets and 100% renewable power.

1.4 Power Infrastructure: The TSO Behaviour Shift

Power availability has become the #1 constraint on data center growth. In major markets, grid limitations now 'shape the market more than customer demand' (JLL).

CRITICAL: From Neutral Allocators to Strategic Gatekeepers

Grid operators have transformed from neutral power allocators to strategic gatekeepers. This represents governance risk, not just capacity risk. Key regulatory evidence:

Jurisdiction	Policy	Implications
Ireland (Dec 2025)	CRU Decision: 100% self-supply OR storage matching MIC; 80% renewable within 6 years; 'use-it-or-lose-it' clawback	Eliminates pure grid-dependent models
Texas (Jun 2025)	SB 6: Mandatory curtailment; 'kill switch' disconnection; $100K study fee	Prioritizes residential load
Netherlands	ACM Priority Framework: DCs explicitly excluded from grid priority	Political prioritization over economics
PJM (2028)	CIFP: New loads must bring own capacity or clear RPM auctions	Capacity procurement burden shifts to operators

Confidence: HIGH | Sources: CRU Decision Paper CRU2025236, Texas SB 6, ACM, FERC filings

Grid Connection Timelines by Market:

Market	Timeline	Status/Notes
Top Hubs (General)	4+ years	JLL benchmark
Northern Virginia	7+ years	For >100 MW projects
Frankfurt	Beyond 2030	Queue extends past decade
Amsterdam	Moratorium	Hyperscale ban until 2026
Dublin	Conditional lift	100% self-supply + grid feed-back required
Warsaw	12-24 months	Capacity fell 41% (2022-2024)
ERCOT Queue	226 GW	~10:1 ratio vs annual additions

Stranded Assets Risk: EUR 5.8B ($6.8B) of Irish data center projects are 'stranded' — land and permits secured but no grid capacity.

PJM Grid Cost Surge: Data centers added $6.5B in December 2025 auction. Total DC-attributable costs: $23.1B for June 2025 – May 2028, representing 49% of the $47.2B total.

1.5 Execution Risk & Construction Delays

Critical Metric: 57% of projects experienced construction delays of 3+ months in 2025.

Primary Delay Causes: (1) Supply chain bottlenecks — global shortages of chips and electrical gear; (2) Skilled construction labor scarcity; (3) Permitting timelines spanning years; (4) Grid access delays as gating factor.

Investor Implication: Developers now scrutinize 'delivery probability' of announced projects. Lack of secured power or permits can stall even well-financed plans.

1.6 Political & Community Opposition

Emerging Political Backlash: Senator Bernie Sanders (I-VT) called for national moratorium on DC construction. Governor DeSantis (R-FL) expressed opposition citing grid strain. Bipartisan nature of opposition is significant for policy risk.

Location	Opposition Details	Impact
Warsaw suburbs, Poland	1,200+ petition; proximity concerns	Appeals filed; potential delays
Prince William, VA	$24.7B Digital Gateway	Multiple lawsuits; appellate court
King George, VA	$6B Amazon project	County 'ready to go to war'
Tract, Arizona	$14B project	Withdrawn after water opposition
Ireland (polling)	57% support 'indefinite pause'	Political risk elevated

Industry Best Practice (JLL): Move from 'reactive consultation to proactive co-creation' — start community outreach 24 months before development; offer community benefit agreements.

1.7 Water Availability & Cooling Constraints

Water has emerged as a parallel constraint to power, with documented project delays, municipal resistance, and increasing lender focus.

Project	Location	Water Impact
Imperial Valley DC	California	Lawsuit over 750,000 gal/day requirement
Tract $14B	Arizona	Withdrawn after water strain opposition
GI Partners $79M	Santa Clara	5-month permit delay; water concerns
Netherlands Hyperscale	National	Ban >70MW IT; 20% consumption cuts ordered

Regional Water Stress Exposure:
Phoenix, Arizona (CRITICAL): 150+ data centers; 32% increase in annual water stress if all proceed; 400% increase in water use from electricity demand expected. Maricopa County facing 'extreme drought' per NOAA.

Northern Virginia: 300+ operational DCs consumed ~2 billion gallons in 2023 (63% increase from 2019). Draws from Potomac watershed supplying Washington D.C.

Critical Statistic: 32% of US data centers are located in areas of high or extremely high water stress. Two-thirds of DCs built since 2022 are in high water-stress areas. (Source: Ceres 'Drained by Data' Report)

Liquid Cooling Requirements for AI Workloads:

System	Power/Rack	Cooling Requirement
Traditional IT	5-10 kW	Air cooling sufficient
Current AI (H100)	40+ kW	Hybrid cooling
NVIDIA GB200 NVL72	120 kW	Liquid cooling mandatory
Projected 2026-27	240-480 kW	Advanced liquid cooling

Air cooling physically fails at 41.3 kW/rack (Introl). NVIDIA Blackwell claims 300x improved water efficiency versus traditional evaporative cooling.

Confidence: HIGH | Sources: LBNL 2024, Ceres, Municipal filings, NVIDIA documentation

1.8 Key Project Announcements

Project	Capacity	Investment	Status
Energy Storage (NC)	900 MW	$19.2B	Construction Q1 2026
Vantage Lighthouse (WI)	GW-scale	$15B	Stargate campus
Microsoft (Wisconsin)	Hyperscale	$7B+	Online early 2026
CleanArc (Virginia)	900 MW	TBD	300 MW by early 2027
Echelon Madrid Sur	144 MW	Iberdrola-backed	230MW grid secured
Bitzero Kajaani (Finland)	1 GW	TBD	Construction began
Google (Germany)	Multi-site	EUR 5.5B	4-year program

Section 2: Real Estate & Industrial Perspective

2.1 Institutional Capital Flows & Insurance Constraints

CBRE Survey (2025): 95% of major institutional investors plan to increase data center allocations. 41% targeting $500M+ equity deployment (up from 30% prior year).

Returns: Data centers delivered 11.2% return in 2024, outperforming most traditional CRE sectors.

INSURANCE CONSTRAINT: Structural Capacity Gap

A structural capacity gap exists between hyperscale total insured values and available market capacity, creating financing friction.

Metric	Value	Implication
Hyperscale TIV	$20B+	Exceeds market capacity
Market Capacity (Single Asset)	~$5B	4:1 structural gap
Builders Risk Placements	>$1B (mega-campuses $3B)	Requires syndication
DSU Coverage	Carved back/sublimited	Friction with lender requirements
DSCR Minimums	1.35x-1.45x	Data center-specific

Coverage exclusions proliferating: Grid/utility interruption (commonly excluded); Cyber-induced outages (often sublimited); AI-specific exclusions (being adopted); Climate perils (deductibles climbing significantly).

> *"The concentration of values — where $10 billion facilities are being built in 18 months — is a concern for underwriters, particularly with respect to natural catastrophe exposures."* — Allianz Commercial

Market Innovations: FM Global offers up to $2B capacity per facility (~1,100 DCs, ~$250B insurable value globally). Aon DCLP provides up to $1.5B construction, $400M cyber coverage.

Confidence: HIGH | Sources: Marsh, Westfield Specialty, Aon, FM Global, Morgan Lewis

2.2 Brownfield & Site Acquisition Strategy

Key Insight: 'Power parcel' real estate (land with power capacity) now commands significant premium. 'Power access has overtaken land as the biggest bottleneck' (DC Byte).

Location	Previous Use	Strategic Advantage
Oxfordshire, UK	Coal-fired power station	Amazon campus; existing transmission
Teesworks, UK	Former steelworks	'Largest-ever private investment' in area
Netherlands	Former industrial area	Microsoft DC region repurposing
Poland	Warehouse park	DC conversion; industrial zoning in place

Developer Advantage: Securing land with existing industrial zoning and nearby grid infrastructure can shave years off development timelines.

2.3 Exit Liquidity Risk Analysis

Exit liquidity for €7B+ data center assets exists but requires consortium structures and concentrated buyer pools.

> *"I look at a data center that's $10 billion... First of all, there haven't been any exits above $4-5 billion, you haven't seen comps, so that worries me quite a bit." —*
> Fernando de Leon, Leon Capital Group (CNBC, Dec 2025)

Largest Transaction Comps (Counter-Evidence to De Leon Concern):

Transaction	Value	Year	Buyer
Aligned Data Centers	~$40B	2025 (pending)	BlackRock/GIP/MGX AI Infrastructure
AirTrunk	$16.1B	2024	Blackstone + CPP Investments
CyrusOne	$15B	2021-22	KKR + GIP
Switch	$11B	2022	DigitalBridge + IFM Investors
CoreSite	$10.1B	2021	American Tower
QTS	$10B	2021	Blackstone Infrastructure Partners

Finding: €7B+/$8B+ exits are achievable as platform/portfolio transactions. Buyer pool is concentrated among large infrastructure funds, sovereign wealth, and pension capital.

Buyer Universe: Infrastructure funds dry powder $335B (24% of AUM); 2024 SWF investment $9.4B across 53 deals; Active buyers: ADIA, MGX, QIA, GIC, Temasek.

Valuation Pressure Signals:
Equinix trading at 86% of NAV; 18.4x forward AFFO (down from 30x). Digital Realty trading at 108.8% of NAV. Powered shell assets command ~100-150 bps cap rate premium over turnkey.

Confidence: HIGH | Sources: S&P Global, Deal Announcements, CBRE Investment Management, IFSWF Annual Review

2.4 Regional Market Comparison: CEE vs FLAP-D

Europe's Tier-1 markets (Frankfurt, London, Amsterdam, Paris, Dublin) hitting limits on power and real estate, 'shifting growth' toward CEE.

Factor	FLAP-D	CEE (Poland Focus)	CEE Advantage
Grid Queue	7-10 years	12-24 months	5-8 year acceleration
Power Cost	€0.15-0.25/kWh	€0.07-0.12/kWh	25-50% savings
Land Cost	€3M+/acre (NoVA)	Competitive pricing	Significant discount
Grid Expansion	Limited investment	PSE €15B (2025-34)	Active capacity building
Community Resistance	HIGH (NL, IE, DE)	LOW	Reduced permitting risk
Temperature (Cooling)	Mixed	8.8°C avg (Poland)	Lower PUE potential

Note: CEE comparative assessment based on DBS synthesis of available market data. Permitting predictability and grid credibility assessments are qualitative. Cap rate data for CEE NOT publicly available — requires capital markets advisor engagement.

Poland Rejected 74 GW of Grid Connection Requests in 2024

This exceeds Poland's 72 GW installed capacity, indicating demand significantly exceeds supply even in growth markets. PSE committed €15B (PLN 66.3B) for transmission expansion 2025-2034: 4,700 km new 400kV lines, 28 new substations.

Market Trajectory:
Warsaw forecast: 59% market growth (2024). FLAP-D share of EU capacity expected to drop from ~70% (2024) to 51% by 2035. CEE markets projected 15-25% CAGR vs single-digit FLAP-D growth.

Confidence: MEDIUM-HIGH | Sources: PSE, Arthur D. Little, JLL, CBRE. Grid expansion credibility: Historical underinvestment noted; new strategy represents significant acceleration.

2.5 Technology Lock-in & Design Obsolescence Risk

Only 16% of data center operators have any racks above 20kW, while AI workloads now require 60-120kW/rack. This creates acute obsolescence risk for legacy facilities.

Period/System	Density	Facility Support
Traditional IT (pre-2015)	2-5 kW/rack	84% of operators
Standard enterprise (2020)	~8 kW/rack	Legacy baseline
Current enterprise (2024)	7-15 kW/rack	Most existing facilities
NVIDIA DGX H100	40+ kW/rack	~5% of facilities
NVIDIA DGX B200	~60 kW/rack	Minority of new builds
NVIDIA GB200 NVL72	120 kW/rack	New AI-optimized only
Projected 2026-27	240-480 kW/rack	Purpose-built required
Projected 2030	Up to 1 MW/rack	Future trajectory

Critical Finding: 84% of operators do NOT have any racks above 20kW. GB200 requires 120kW/rack — 3x the 2023 design average of 36kW/rack.

> *"Most models assume 20-25 year asset lifespan, yet today's compute and thermal dynamics suggest many facilities may be functionally obsolete in 7-10 years or sooner."* — Cbus Pension Fund Analysis

Retrofit Cost Reality:

Cost Type	Estimate	Constraint
Retrofit per MW	$2-3M/MW	Economics challenged
Liquid cooling CAPEX premium	$2,500-4,500/kW vs air	2-3x increase
Floor reinforcement (250kW rack)	$50-100K/rack	Structural limits
Air cooling physical limit	41.3 kW/rack	Cannot be overcome

Many legacy facilities cannot be retrofitted regardless of investment. Standard floors support 150-250 lbs/sq ft; 250kW rack weighs 8,000+ lbs in 10 sq ft.

Meta (2024): 'We need to plan for roughly 4X scale... AI workloads are growing at a pace of 1,000x every two years.' Meta scrapped multiple in-construction DCs for AI-optimized redesigns, expecting 31% cost savings from new architecture.

Confidence: HIGH | Sources: Uptime Institute 2024 Survey, NVIDIA documentation, Meta announcements, Goldman Sachs/JLL

Section 3: Investment Thesis & Outlook

3.1 DC Byte 2026 Key Findings

DC Byte's January 2026 outlook identifies five structural trends: (1) Growing gap between announced/committed projects and those reaching construction; (2) Government policy determining speed-to-market, not just approval; (3) Capital deploying 24-36 months ahead of delivery, increasing execution risk exposure; (4) Growth shifting from congested primary hubs to secondary/tertiary markets; (5) Markets with stable power + clear planning rules delivering more consistently.

> *"As demand continues to grow, the real differentiator is no longer how much capacity is announced, but how much can actually be delivered. Power availability, planning certainty, and realistic timelines are now what separate markets that scale from those that stall."* — Siddharth Muzumdar, Research Director, DC Byte

3.2 Enhanced Due Diligence Framework

Factor	Risk Indicator	Opportunity Indicator
Power	Grid queue >24 mo; moratoriums; no self-supply plan	Secured capacity; on-site generation; brownfield w/ grid
TSO Regime	Political deprioritization; conditional connections	Grid investment commitments; stable regulatory framework
Permitting	Political opposition; pending legislation	Streamlined approvals; 'critical infrastructure' status
Location	Primary hub congestion; residential proximity	Secondary markets; brownfield; industrial zoning
Water	High stress region; >500K gal/day requirement	Low stress; liquid cooling design; closed loop
Insurance	TIV >$5B; high NatCat exposure; DSU gaps	Manageable TIV; diversified placement; full DSU
Capital	Speculative builds; single-tenant exposure	Pre-leased 77%+; long-term IG offtake
Technology	Fixed design; air-cooled; <20kW density	Modular; liquid cooling ready; 60kW+ capable
Community	Reactive consultation; no local engagement	24-month proactive outreach; benefit agreements

3.3 Scenario Outlook 2026: Base / Bull / Bear

BASE CASE: Persistent Constraints

Grid connection wait times remain 7-10 years in FLAP-D hubs. EU grid congestion costs reached €4.3B in 2024. By 2027, 40% of data centers projected to face power shortages. IEA projects DC electricity consumption doubles to 945 TWh by 2030.

Demand continues: US DCs consumed 183 TWh in 2024 (~4% of US consumption); projected 426 TWh by 2030 (133% growth). Europe: 18.7 GW (2024) to 36 GW by 2030.

Confidence: HIGH | Sources: IEA Energy and AI Report, S&P Global/451 Research

BULL CASE: Grid Reform & New Power Sources

FERC Order (Dec 18, 2025): Directing PJM to create new transmission services for co-located DCs; compliance filing due Feb 16, 2026. DOE Directive (Oct 2025): Instructed FERC to 'rapidly accelerate interconnection of large loads.'

Hyperscaler Nuclear Deals:

Deal	Capacity	Timeline
Microsoft-Constellation (TMI restart)	835 MW	2027-2028
Google-Kairos	500 MW	2030-2035
Amazon-Talen	1.9 GW	Through 2042
Amazon-X-energy	5 GW	By 2039
Meta-Constellation	1.1 GW	From 2027

SMR deployment: NuScale (only NRC-certified, ~2030), TerraPower (construction begun, 2030), Kairos (first Gen-IV permit, 2029-30).

Confidence: HIGH | Sources: FERC orders, company announcements

BEAR CASE: Political Backlash Acceleration

Price spike evidence: PJM capacity prices surged 500%+ from $2.2B to $14.7B (2025-26). Data centers account for 63% ($9.3B) of the increase. Projected 8% average US electricity bill increase by 2030; potentially >25% in Northern Virginia.

IRA Repeal Risk: House passed reconciliation bill (215-214, May 2025) including cancellation/phaseout of most IRA provisions. Status: Bill in Senate; outcome uncertain.

Electoral impacts: Georgia — two utility commissioners defeated Nov 2025 after rate protests. Virginia Governor-elect Spanberger pledged to 'make sure data centers don't drive up energy costs.'

Moratorium expansion: Pre-emptive moratoria being discussed before first DC built. 57% of Irish respondents support 'indefinite pause.' Singapore's 2019 moratorium stalled market growth.

Confidence: HIGH | Sources: PJM IMM, Inside Climate News, Ireland Thinks poll, electoral results

3.4 What Breaks the Thesis?

Proactive risk acknowledgment for IC/LP discussions:

1. AI Efficiency Improvements (Jevons Paradox Test)
Evidence of gains: Google Gemini energy per prompt dropped 33x over 12 months. Stanford research shows 'intelligence per watt' improved 5.3x (2023-2025). DeepSeek claims $5.6M training vs $60M+ (contested: SemiAnalysis estimates ~$1.6B true cost).

Verdict: Efficiency gains are real and accelerating but are being more than offset by demand growth through Jevons Paradox. 'As AI gets more efficient and accessible, we will see its use skyrocket' (Nadella). NOT thesis-breaking but introduces meaningful uncertainty.

Confidence: MEDIUM | Sources: Google methodology, vendor claims require validation

2. Political Moratoria Precedents
Singapore (2019): Lost market momentum; BMI says 'large-scale capacity investments unlikely to go back.' Netherlands: 187 DCs (2023) vs 189 (2019) — growth stalled; Q1 2024 saw zero new Amsterdam capacity. Ireland: DCs consume 18% of national electricity; projected 32% by 2026.

High-risk US regions: Virginia (25.59% of state electricity), North Dakota (15.42%), Iowa (11.73%), Nebraska (11.58%), Oregon (10.24%).

Confidence: HIGH | Sources: Regulatory decisions, BMI

3. Cloud Repatriation Trends
Evidence: Flexera 2025: 21% of workloads have been repatriated. Barclays CIO Survey Q4 2024: 86% of CIOs planned some repatriation. Cloud waste: 32% of cloud spending unused/inefficient.

Verdict: Repatriation is real but selective. NOT thesis-breaking because: (1) net new cloud workloads exceed repatriation; (2) AI infrastructure requirements exceed most enterprise on-prem capabilities (10-12 kW/rack vs 100+ kW/rack needed); (3) hyperscale share projected to grow to ~60% of global capacity by 2030.

Confidence: HIGH | Sources: Flexera, Barclays, Synergy Research

3.5 Project Success & Failure Patterns

Projects Reaching COD 2024-2025: Success Characteristics

Factor	Requirement
Tenant Quality	Investment-grade hyperscaler (AA/AA+), 10-20 year lease
Power Security	Confirmed grid connection OR co-located generation
Location	Tier-one markets with power availability
Land Control	Owned with resolved zoning/entitlements
Pre-Leasing	50-60% of capacity before financing
Developer Experience	Industry veterans with track record

Financing structures that worked: 65-75% senior debt / 25-35% equity; Mini-perm structures (construction plus 3-4 years); Cross-collateralization across multiple sites.

Projects Stalled or Cancelled: Failure Patterns

Project	Value	Location	Reason
Tract	$14B	Arizona	Community opposition — withdrew
Diode Ventures	$1.5B	Missouri	'Don't Dump Data' campaign — zoning amended
Provident Realty	$1.3B	Indiana	Water/wildlife concerns — withdrew
PW Digital Gateway	$24.7B	Prince William, VA	Multiple lawsuits, appellate court
Culpeper Acquisitions	$12B	Culpeper, VA	Battlefield preservation concerns
Amazon	$6B	King George, VA	County opposition

Total blocked projects: $18B. Total delayed projects: $46B+.

Common failure factors: (1) Power-related: Grid infrastructure inadequacy (40-50% of delays); (2) Community opposition: 142 activist groups across 24 US states; (3) Financing: Blue Owl pulled out of $10B Oracle deal over debt terms; (4) Political: Voters recalled officials (Cascade Locks, OR); councils replaced (Warrenton, VA).

Confidence: HIGH | Sources: Data Center Watch March 2025, Norton Rose Fulbright

Conclusion

The December 2025 – January 2026 period confirms data centers remain the most capital-intensive growth sector in commercial real estate, with $600B+ in hyperscaler capex projected for 2026 and a $3 trillion investment pipeline to 2030. However, execution risk has become the primary constraint.

Key Metrics Summary:

97% occupancy and 77% pre-lease rates signal robust demand. 57% of projects delayed 3+ months signals execution challenges. 4+ year grid connection timelines in primary hubs. EUR 5.8B in stranded Irish projects illustrates power constraint severity. €7-10B+ exits achievable but require consortium structures.

Investment Priorities (Ranked):

1. Power security over headline capacity announcements
2. Pre-lease structures with investment-grade counterparties
3. Technology flexibility (liquid cooling readiness, modular design)
4. Water availability in site selection
5. Secondary market positioning as FLAP-D saturates
6. Community engagement starting 24+ months pre-development

INVESTOR RED FLAGS — Deal-Breakers:

No nearby transmission infrastructure. Interconnection queues >5 years. No confirmed utility capacity. Active community opposition campaigns. Non-investment-grade tenants. Speculative development without pre-lease. Northern Virginia at current land costs ($3M/acre) and growing power timelines.

Confidence Summary by Topic:

Topic	Confidence	Primary Sources
Market Fundamentals	HIGH	DC Byte, S&P Global, JLL
TSO Behavior Shift	HIGH	CRU, ERCOT, ACM, FERC decisions
Water Constraints	HIGH	LBNL, Ceres, municipal filings
Insurance Constraints	HIGH	Marsh, Aon, FM Global, Morgan Lewis
Exit Liquidity	HIGH	S&P Global, deal announcements
Technology Obsolescence	HIGH	NVIDIA, Uptime Institute, Meta
CEE vs FLAP-D	MEDIUM-HIGH	PSE, ČEPS, JLL, CBRE
Scenario Inputs	HIGH	IEA, FERC, company announcements
Thesis-Breaking Factors	MEDIUM-HIGH	Mixed (efficiency claims need validation)

— END OF REPORT —

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