NORTH WEST Place | INDUSTRIAL & LOGISTICS CONFERENCE 2025

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UK and Manchester Data Centre Update

The Data Centre Market

Significant Growth

- More data created in the past 3 years than all of history (IDC, 2024).
- Data Storage (22.1% CAGR to 2030)
- Artificial Intelligence driving new demand
- Cloud adoption/expansion

Capital Markets

- Increasing capital looking to enter the sector.
- Financing / Lending opportunities
- Investment sales few and far between

Emergence of AI

- More Power required
- New Types of Data Centres / New Locations
- Hype
- New cooling tech necessary

Small Sector

- Fickle – dominated by the cloud providers
- Operators (small number <40).
- Increasing number of operators
- Increasing Promoters / Industrial Developers / Renewable Developers

Cloud Growth

- 22% revenue growth YoY in Q4 2024 – big 4 . 30 % increase in Capex forecast for 2025 from 2024 – $325bn estimated.
- Growth focussed on core markets (London)
- Supply/Demand Imbalance

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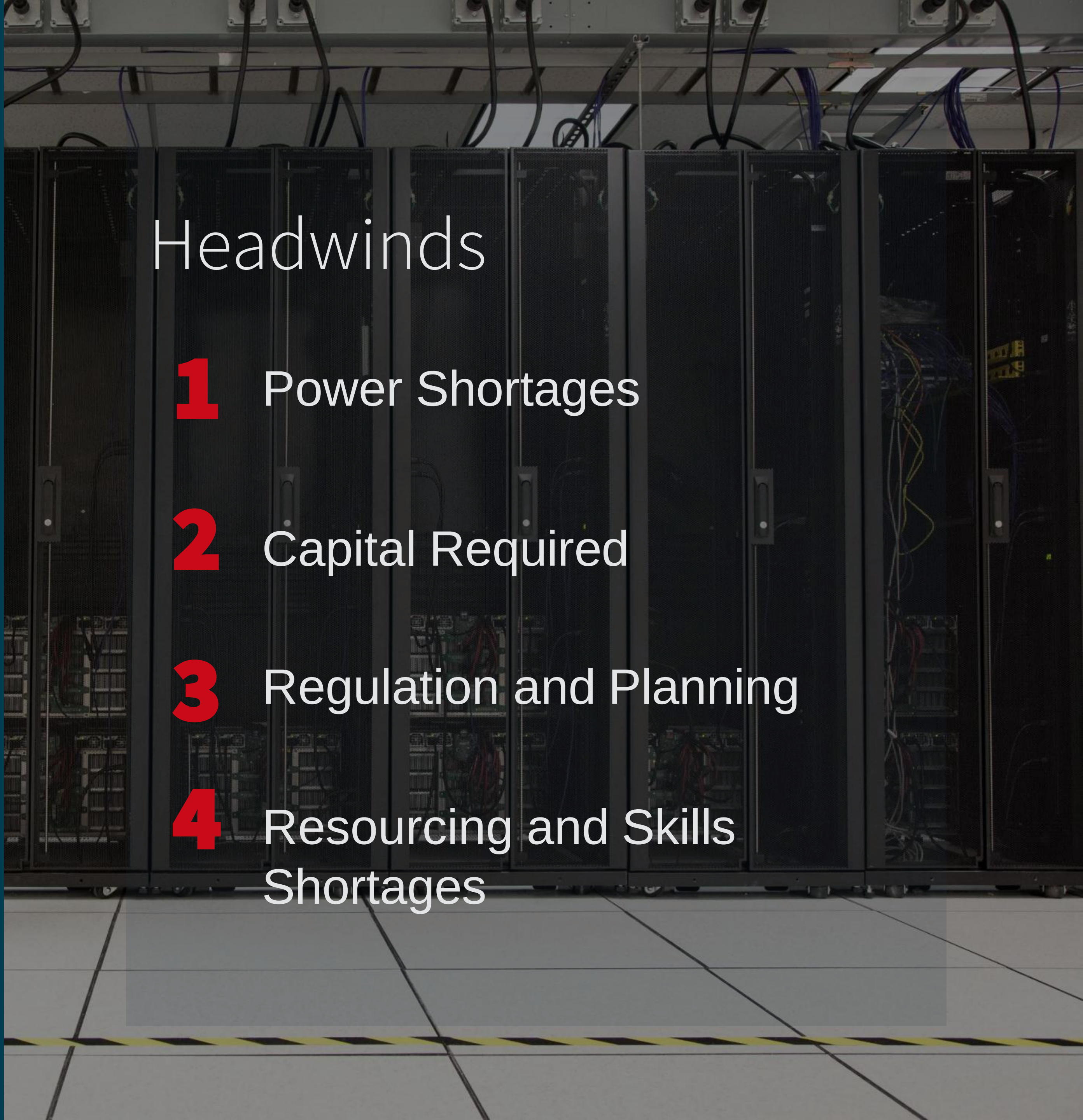
Edge Technology

- An increasing number of applications will require - quick user experience.
- Past data centres are not fit for purpose
- Sub-sector is in its infancy



Headwinds

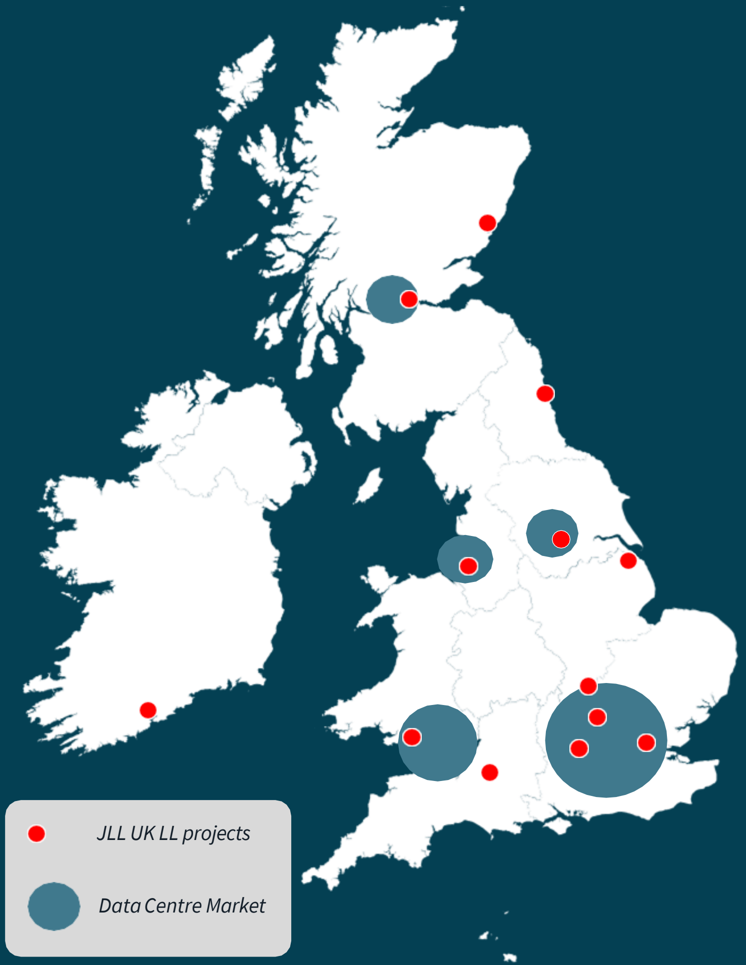
1. Power Shortages
2. Capital Required
3. Regulation and Planning
4. Resourcing and Skills Shortages

UK Overview

London is the largest DC market in Europe with c1GW of supply. It responsible for 90% of the UK's capacity

We expect to see the following across the UK –

- Increased growth of the Cloud Markets – London, Wales, Manchester, Leeds, Central Belt Scotland.
- Increased Edge Data Centres across regional cities
- AI Training Data Centres



	Data Centre Site Ingredients
1	Grid Power (Short Term)
2	Hyperscale/Cloud – 15 acres Land +
3	Edge – 3-10 acres
4	AI Training – 200 MW
5	Pathway to Planning
6	Free from DC Risks – Flooding, COMAH Zones, Nearby Military Targets, Dust Pollution
7	International Accessibility
8	Skilled Workforce
9	Fibre Connectivity
10	20m build height +
11	Cool climate
12	Proximity to power infrastructure

Source : JLL, 2024

Manchester Data Centre Market Overview

- Under the struggle to secure sizeable, sustainable sources of power with sufficient land in the London Market, areas outside the London metropolis are beginning to see substantial growth.
- 90% of UK data centres are based in Greater London.
- Manchester is emerging as a significant digital and tech hub and many view it as the UK's secondary Data Centre market.
- Operators in Manchester are mainly small colocation operators however with the increase in demand for data centre capacity and the fact that operators cluster together;Manchester is well placed to grow.

Several hyperscalers have shown signs of interest in Manchester, establishing foundations for future growth such as deployment of cloud edge nodes and other edge infrastructure, for a new cloud region in Greater Manchester. There has also been signs of hyperscale presence in colocation facilities in Trafford Park.

Google Cloud aws Microsoft ORACLE

Several driving forces are establishing Manchester as the next UK data centre hub outside London

£79bn economy (Gross Value Added)

£532m was raised by Manchester tech firms in 2022 – a 50% increase on 2021

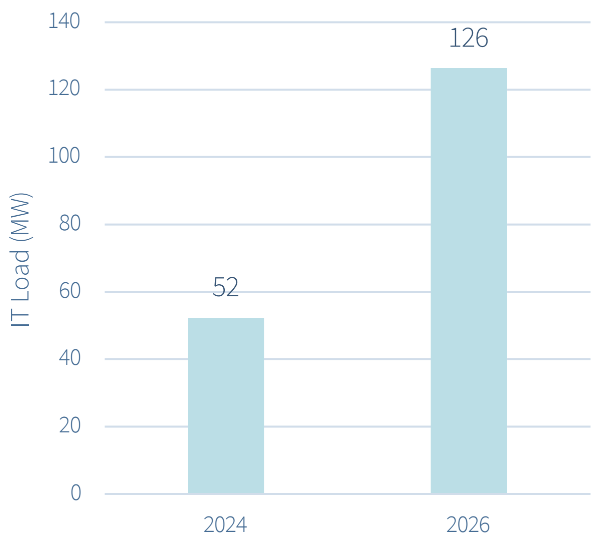
Greater Manchester is the leading UK city-region for FDI

Home to 10,000 digital and tech firms

Greater Manchester possesses a resilient grid network previously constructed for heavy industry. The capacity of the electricity network is robust and from 2023-2028, Electricity North West have planned investment of £21m into the city's electricity distribution. The grid is expected to expand by 31% from 4049 MW capacity in 2021 to 5,305 MW capacity in 2030.

Greater Manchester has access to direct fibre and is positioning itself as a leader in gigabit connectivity. Manchester represents the second-most connected city in the UK with its gigabit broadband connectivity coverage averaging 78%, compared to the England average of 66%. In Q3 2023 alone, Manchester added 27,000 new FTTP (Fiber to the Premises), representing the largest increase of any UK local authority.

Development Pipeline (IT load MW)

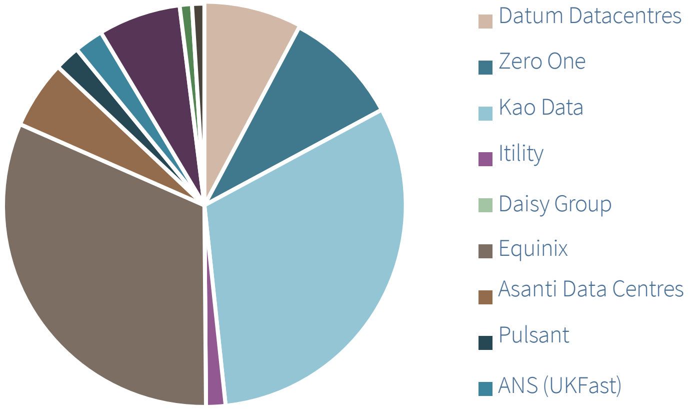


Manchester Data Centre Market

LIVE IT LOAD	OPERATORS
52 MW	13

Key Developments and Operators			
Kao Data	40 MW	Development	Expected completion in 2026
Equinix	40 MW	Operational	6 colocation facilities across the city
Zero One Group	12 MW	Development	

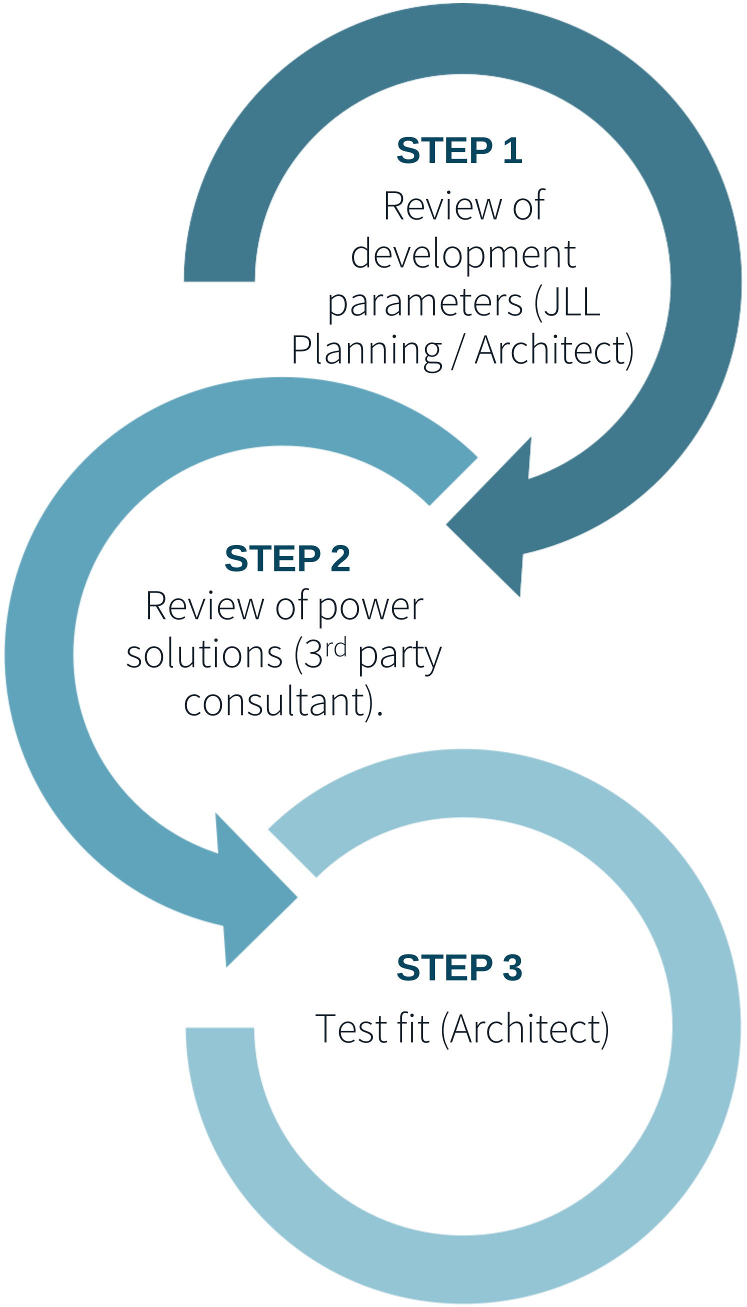
JLL Estimated Market Share **2026**



Next Steps

Provisioning this site in a way that will enable us to maximise the value generated from the site from DC operators.

We would recommend securing Planning and Power which will secure the highest obtainable value for the site. We expect this will take broadly 6-9 months.



Market Predictions

Evolution of the Edge Market - 2025

AI Inferencing will fuel growth in core markets

Greater significance of Sustainable operations

DC’s increasingly like a normal real estate asset class

Growth to remain

Geographically Unpredictable

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JLL Data Centre Solutions

Operations, Maintenance and ITC Services

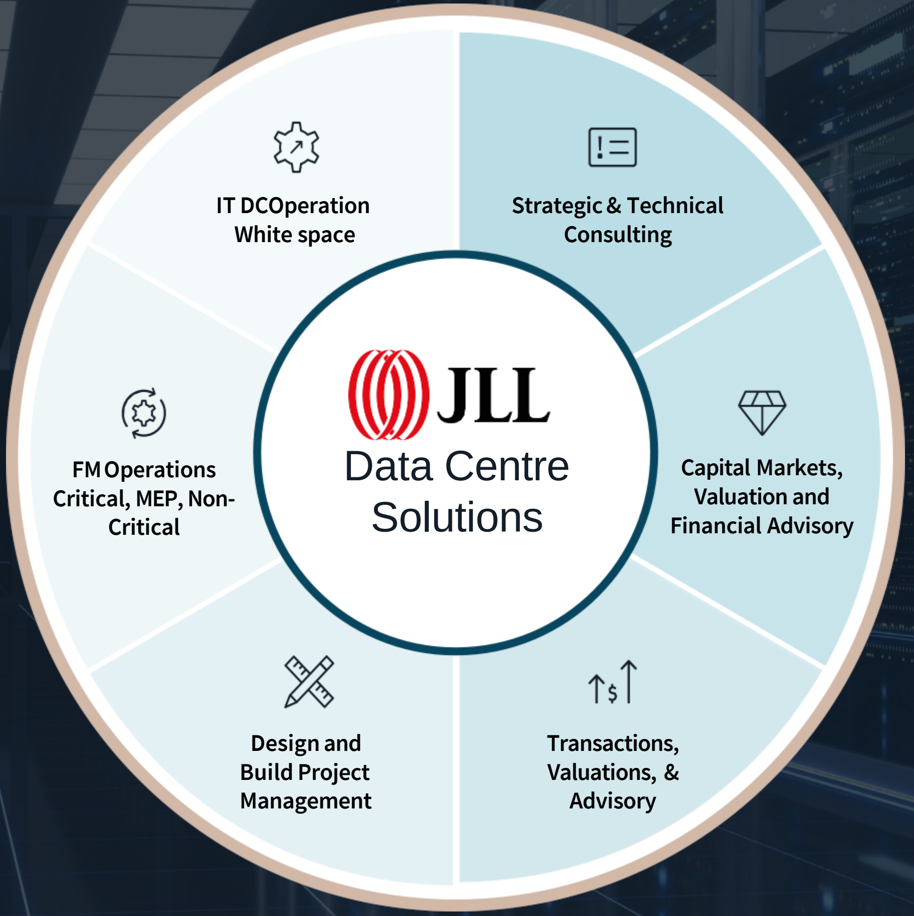
- Global IFM operations MEP/IT
- Industry leading data center operating platform
- In-house training program
- Best-in-class technology suite
- Leveraged JLL purchasing power
- Capital projects management

Design and Build Project Management

- Design requirements validation
- Master schedule preparation
- Integrated systems testing
- Construction administration
- Site acceptance inspection / punch list
- Facility commissioning

Valuation and Advisory Services

- Appraisal and advisory
- Due diligence and purchase price validation
- Purchase price allocation
- Supply, demand and feasibility analysis
- Mark to market financial reporting
- Lease renewal and purchase option arbitration



Strategic & Technical Consulting

- Sustainability program design & management
- Clean energy design & procurement
- PUE audit, gap analysis, and portfolio alignment
- Renewable energy strategy and implementation
- Operational technical audits and best practice
- Roadmaps, Play books, incident support & RCA services

Capital Markets

- Construction Financing
- Project-level joint ventures
- Non-recourse bridge and permanent financing
- Preferred equity / mezzanine debt
- Corporate sale leaseback transactions
- Investment banking services through JLL securities

Transaction Advisory

- Colocation
- Hybrid IT
- Sale leaseback advisory
- Build-to-suit
- Dispositions
- Site selection and acquisition

JLL Data Centre Transactions Team

JLL has a highly experienced team focused on transactions within the Data Centre sector

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Head of Data Centre Transactions

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DC Transaction

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