

# [Latest] US Data Center Colocation Market Size, Forecast, Analysis & Share Surpass US\$ 205.55 Bn By 2032, At 16% CAGR

The US Data Center Colocation Market was at US\$ 48.08 Bn in 2022 and is growing to approx US\$ 205.55 Bn by 2032, with a CAGR growth of 16% between 2023 - 2032.

AUSTIN, TEXAS, UNITED STATES,  
September 12, 2023 /

EINPresswire.com/ -- According to the study, The [US Data Center Colocation Market](#) was estimated at USD 48.08

Billion in 2022 and is anticipated to reach around USD 205.55 Billion by 2032, growing at a CAGR of roughly 16% between 2023 and 2032.

Report URL: <https://www.custommarketinsights.com/report/us-data-center-colocation-market/>



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## [US Data Center Colocation](#) Market: Overview

In recent years, the concept of colocation has experienced a tremendous surge in growth, largely driven by the establishment of vast data center campuses by major players like Google Cloud Platform, Microsoft Azure, and Facebook in remote locations. This model allows companies to lease space within these facilities to house their computing hardware and equipment.

Colocation services encompass providing end-users with data center space and essential infrastructure, including

power, network bandwidth, physical security, and cooling components. This practice is commonly referred to as colocation.

The data center colocation market is currently experiencing a bullish trend, driven by the widespread adoption of data centers across various industry verticals. This surge in demand is due to companies' rapid embrace of data centers to store and manage substantial amounts of data and handle server operations efficiently.

US Data Center Colocation Market: Growth Drivers

US Data Center Colocation Market: Growth Factors and Dynamics

**Growing Digital Transformation:** The ongoing digital transformation across industries has resulted in a massive increase in data generation and storage needs. Data center colocation providers play a crucial role in supporting businesses' IT infrastructure requirements, offering scalable and reliable solutions to accommodate their data growth.

**Cloud Adoption:** The rapid adoption of cloud services, including public, private, and hybrid clouds, has contributed to the expansion of the colocation market. Colocation facilities serve as strategic locations for cloud providers, enabling them to host their infrastructure closer to end-users and offer improved performance and low-latency services.

**Edge Computing:** The rise of edge computing, driven by the need for real-time data processing and reduced latency, has influenced the data center colocation market. Edge data centers closer to end-users and IoT devices, have become increasingly important for delivering efficient and responsive services.

**Cost-Effectiveness:** Data center colocation offers businesses a cost-effective alternative to building and maintaining their private data centers. By leveraging shared infrastructure, businesses can reduce capital expenditures and operational costs while benefiting from state-of-the-art facilities and security measures.

**Interconnection and Network Connectivity:** Colocation facilities act as interconnection hubs, enabling businesses to access a diverse range of network carriers, cloud providers, and other partners. This interconnected ecosystem facilitates seamless data exchange and collaboration, fostering innovation and efficiency.

**Data Security and Compliance:** As data becomes more valuable and subject to stringent regulations, data center colocation providers invest heavily in robust security measures and compliance standards. This has become crucial for businesses looking to protect their sensitive data and meet regulatory requirements.

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Key Insights:

A) As per the analysis shared by our research analyst, the Global US Data Center Colocation Market is estimated to grow annually at a CAGR of around 16% over the forecast period (2023-2032).

B) In terms of revenue, the Global US Data Center Colocation Market size was valued at around USD 48.08 Billion in 2023 and is projected to reach USD 205.55 Billion by 2032. Due to a variety of driving factors, the Market is predicted to rise at a significant rate.

C) Equinix and TelecityGroup: In 2016, Equinix, a prominent global data center operator, completed its acquisition of TelecityGroup, a European data center provider. This deal expanded Equinix's footprint in Europe and solidified its position as a key player in the colocation market.

D) NTT Communications and RagingWire: In 2014, NTT Communications acquired a controlling stake in RagingWire Data Centers, a US-based colocation provider. This acquisition helped NTT expand its data center operations in the United States.

E) Data Center Resilience and Reliability: As businesses relied heavily on digital services during the pandemic, data center resilience and reliability became paramount. Data center colocation providers experienced a heightened focus on maintaining continuous operations and ensuring minimal downtime to meet customer needs.

F) Focus on Health and Safety: Data center colocation providers had to implement rigorous health and safety measures to protect staff and maintain data center operations. These measures included enhanced cleaning, social distancing protocols, and remote work arrangements.

Press Release For US Data Center Colocation Market:

<https://www.custommarketinsights.com/press-releases/us-data-center-colocation-market-size/>

## Regional Landscape

**Northern Virginia (Ashburn) Region:** The Northern Virginia region, particularly the Ashburn area, is often considered the "Data Center Capital of the World." It houses a significant concentration of data centers due to its strategic location near Washington, D.C., access to major network peering points, and availability of reliable power and connectivity.

**West Coast:** The West Coast, including cities like Los Angeles, San Francisco, and Seattle, is another critical region for data center colocation. Its proximity to Asia and access to trans-Pacific network cables make it an attractive location for businesses seeking connectivity to global markets.

**Central US:** Cities in the central United States, such as Dallas, Chicago, and Denver, are also major data center hubs. These locations provide geographic diversity and serve as interconnection points between various regions, making them valuable for disaster recovery and content distribution.

**East Coast:** The East Coast, with cities like New York, Atlanta, and Miami, hosts several data

centers to serve businesses in the financial, healthcare, and media industries, among others. Pacific Northwest: The Pacific Northwest, including cities like Seattle and Portland, attracts data center investments due to its access to renewable energy sources, such as hydroelectric power, making it an appealing option for environmentally conscious companies.

Emerging Markets: Besides the well-established data center regions, emerging markets in smaller cities across the US are also witnessing growth in colocation services. This expansion is driven by the need for edge computing facilities to reduce latency and support the growth of IoT applications.

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### Key Players

- Equinix
- Digital Realty
- CyrusOne
- CoreSite Realty Corporation
- CenturyLink (now Lumen Technologies)
- Cologix
- NTT Global Data Centers Americas (formerly RagingWire Data Centers)
- Iron Mountain
- vXchnge
- Zayo Group
- Others

The US Data Center Colocation Market is segmented as follows:

### By Colocation Type

- Retail
- Wholesale

### By Enterprise Size

- Large
- SMEs

### By Tier Level

- Tier 1
- Tier 2

By End-Use

BFSI

Retail

By Geography

North America

The USA

Canada

Mexico

Europe

The UK

Germany

France

Italy

Russia

Rest of Europe

Asia Pacific

China

Global India

Japan

South Korea

Malaysia

Philippines

Rest of Asia-pacific

Latin America

Brazil

Rest of Latin America

Middle East and Africa

GCC

North Africa

South Africa

Rest of Middle East & Africa

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