

Data Center Colocation Market to Reach USD 202.71 Bn by 2030 | Driven by Cloud & AI

Data center colocation market grows with rising cloud adoption, increasing demand for scalable, secure, and cost-efficient IT infrastructure.

WILMINGTON, DE, UNITED STATES, November 19, 2025 /EINPresswire.com/ -- According to a new report published by Allied Market Research [Data Center Colocation Market](#) Size, Share, Competitive Landscape and Trend Analysis Report, by Type (Retail Colocation, Wholesale Colocation), Organization Size (Small & Medium Scale Enterprise, Large Scale Enterprise), Industry Vertical (BFSI , IT & Telecommunication, Manufacturing, Energy and Utilities, Healthcare, Retail & E-commerce, Media & Entertainment, Government & Defense, and Others): Global Opportunity Analysis and Industry Forecast, 2021-2030, The global data center colocation market size was valued at USD 46.08 billion in 2020, and is projected to reach at USD 202.71 billion by 2030, growing at a CAGR of 15.7% from 2021 to 2030.

The global data center colocation market is witnessing significant growth due to the surging adoption of cloud services and digital transformation across industries. Organizations are increasingly outsourcing their IT infrastructure needs to colocation providers to reduce operational costs and enhance scalability.

Additionally, the growing emphasis on data security, regulatory compliance, and high-speed connectivity is driving enterprises to prefer colocation solutions over traditional in-house data centers. The market is further supported by increasing investments in edge computing and the expansion of hyperscale data centers globally.

For more information, visit: <https://www.alliedmarketresearch.com/request-sample/A00247>

Key highlights of the report:

- **Cloud Adoption:** The increasing reliance on cloud computing and SaaS applications is boosting demand for colocation services, as businesses seek reliable and secure infrastructure to manage massive data volumes.
- **Cost Efficiency:** Colocation enables companies to minimize capital expenditure on building and maintaining in-house data centers while benefiting from shared facilities, energy efficiency, and operational expertise.

- **Stringent Regulatory Requirements:** Industries such as healthcare, finance, and government require strict adherence to data privacy regulations. Colocation providers offer secure environments that comply with global and regional standards.
- **Operational Efficiency Innovations:** Innovations like high-density racks, energy-efficient cooling, and automated monitoring systems are enhancing the operational efficiency of colocation centers, making them more attractive to enterprises.
- **Edge Computing Growth:** The rise of IoT, 5G, and latency-sensitive applications is driving the development of edge data centers, complementing traditional colocation services and further stimulating market growth.

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Market Segmentation

The market is segmented by type (retail colocation and wholesale colocation), enterprise size (SMEs and large enterprises), and end-user industry (IT & telecom, BFSI, healthcare, and manufacturing). Retail colocation dominates due to flexible, smaller-scale deployments, while wholesale colocation is expanding rapidly with hyperscale data center demand.

On the basis of enterprise size, large-scale organizations accounted for the dominant share of the data center colocation market and are expected to maintain this lead throughout the forecast period. Their strong position is driven by substantial investments in data center infrastructure and the rising need to manage and store massive volumes of data generated by large enterprises.

However, the small and medium-sized enterprise (SME) segment is projected to witness the fastest growth. This surge is fueled by the rapid digital transformation of SMEs and the increasing adoption of IoT-enabled operations, which collectively generate significant data volumes and accelerate the demand for colocation services globally.

Regional Analysis

North America leads the global data center colocation market, driven by the presence of major cloud providers, advanced IT infrastructure, and high enterprise adoption of digital solutions. The U.S. remains a key hub, with increasing investments in energy-efficient and hyperscale colocation facilities.

Asia-Pacific is emerging as a high-growth region due to rapid digitization, growing cloud adoption, and government initiatives supporting IT infrastructure development. Countries like China, India, and Japan are witnessing significant expansion in colocation services to support enterprise and cloud workloads.

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Report Summary:

This report gives an in-depth profile of some key market players in the [data center colocation industry](#), which include CHINA TELECOM CORPORATION LIMITED, CoreSite Realty Corporation, CYRUSONE INC, CYXTERA TECHNOLOGIES, INC., DIGITAL REALTY TRUST, INC., EQUINIX, INC., Global Switch, KDDI CORPORATION, and NTT Communications Corporation. This study includes data center colocation market trends, data center colocation market analysis, and future estimations to determine the imminent investment pockets.

Key Findings:

- By type, the retail colocation segment dominated the data center colocation market in 2020. However, the wholesale colocation segment is expected to exhibit significant growth during the forecast period.
- On the basis of enterprise size, the large scale segment accounted for the highest revenue of data center colocation market size in 2020; however, the small and medium scale segment is expected to witness the highest growth rate during the forecast period.
- Depending on industry vertical, the IT and telecommunication segment generated the highest revenue in 2020. However, the media and entertainment segment is expected to witness the highest growth rate in the near future.
- Region wise, the data center colocation market was dominated by North America. However, Asia-Pacific is expected to witness significant growth in the coming years.

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