



## UK Digital Infrastructure Outlook



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Regional editions of Lets Talk Tech start with this outlook on the UK, the market leader in Europe, with insights from the expertly curated [Platform Markets Group](#) UK symposium.

Sharing expert insights from prominent players in the UK digital infrastructure industry on the challenges, opportunities and trends in the UK market, in quotes.

The full article is [here](#).

### The Multi-Trillion-Dollar Industry

**LET'S TALK TECH**

Philip Low  
Platform Markets Group

**UK DIGITAL INFRASTRUCTURE: THE AI OPPORTUNITY**

The Data Centre sector globally is already a USD1 tn market. The total global addressable market for digital is growing by USD600 bn per year. Opportunities through AI are generating a new era beyond cloud.

### Data Center Investment

**LET'S TALK TECH**

Richard Ludwig  
Alantra

**UK DIGITAL INFRASTRUCTURE: UK GROWTH**

London is expected to continue being the leading data center market in Europe. However growth is accelerating outside London as data center developers are looking outside availability zones. This is driven by demand for cloud services and AI workloads that require larger campuses and higher densities that are not possible in availability zones.


### Emerging Investment Themes

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**UK DIGITAL INFRASTRUCTURE: UK INVESTORS**

Richard Ludwig  
Alantra

Investors are backing decentralised models to capture more localised demand of 'metro edge', typically a 2-4MW facility in tiers 2 & 3 cities. An example of this trend is I Squared Capital buying 10 data centers last year across the UK.



### Community Buy-In

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**UK DIGITAL INFRASTRUCTURE: COMMUNITY BUY-IN**

Richard Ludwig  
Alantra

New players include telco carve outs taking advantage of high multiples in the sector.  
Deep Green receiving £200M investment from Octopus Energy was a notable recent transaction for their successful heat re-use from AI servers. Giving heat for free into district heating is advantageous when operating within local communities.




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**UK DIGITAL INFRASTRUCTURE: PUBLIC BUY-IN**

Alexander Burgoyne  
Knight Frank

Perhaps we are not as good as could be at lobbying. Poor public perception is an increasing risk. We have responsibility for messaging round data centers to the public. There is a huge opportunity to change public perception.




### Investment Risks

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**UK DIGITAL INFRASTRUCTURE: COMMUNITY BUY-IN**

Vincent Gerritsen  
Morrison & Co

A key factor is how we embed infrastructure and data centers in local communities in a sensible way. A100MW project had approval but local population opposed it in their backyard.




### The AI Opportunity

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**UK DIGITAL INFRASTRUCTURE: THE AI OPPORTUNITY**

Matthew Dooley  
Amber Infrastructure

We see an opportunity in the future around data sovereignty with the adoption of AI and cloud based AI that's going to have to transition across borders. Its important to understand the regulations across those borders to ensure a reliable service.



### The Edge Computing Market

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**UK DIGITAL INFRASTRUCTURE: EDGE COMPUTING**

Dalia Adib  
STL Partners

Edge computing investments slowed in 2022 but have picked up again since 2023. They totalled around \$8bn in the last 4 years. 3% of all time cloud investments. Edge computing build-out is driven partly by telecom operators in partnership with hyperscalers. The demand stems from use cases in computer vision, video streaming and cloud gaming. Autonomous vehicles and drones need edge but are not yet here.



### ESG

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UK DIGITAL INFRASTRUCTURE: ESG

Josh Joshi  
AtlasEdge

What we have achieved in the last 20 years is that the data center industry found a home for photons and created value. They could have been in an enterprise data center with a 2-3 PUE. The industry saved society mega tons of CO2 in the development of a sustainable environment to drive the future.



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UK DIGITAL INFRASTRUCTURE: ESG

Loren Long  
3Tag

The green washing law will come into effect in 24 months and it denies the use of offsets.




## Sustainability

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UK DIGITAL INFRASTRUCTURE: SUSTAINABILITY

Susanna Kass  
Digital Gravity  
Infrastructure Partners

We decided after COP28 to not give up and work harder to make the energy transition and the carbon capture a reality. Fossil fuel is not evil. It's the emission that comes out of it that we want to capture and not allow it to emit to the environment.



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UK DIGITAL INFRASTRUCTURE: SUSTAINABILITY

Susanna Kass  
Digital Gravity  
Infrastructure Partners

The target of reducing carbon emissions by 68% is at risk while the fossil fuel industry maintains they can't shut it down because 'we stop civilisation and industrialisation'. The worst civilisation and industrialisation are when we blew a hole in the ozone layer. The earth is on a disastrous trajectory. We must take action in our ESG investments for the world not to exceed 1.5C global warming. It is the greatest threat to humanity.




## Scope 3 Reporting

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UK DIGITAL INFRASTRUCTURE: SCOPE 3 REPORTING

Susanna Kass  
Digital Gravity  
Infrastructure Partners

Please ask people you fund how they will measure their CO2 emissions for direct, indirect consumption and in their supply chain. It is a must to collaborate as an industry to green the electric grid which is not green 24/7 today.




## Circularity

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UK DIGITAL INFRASTRUCTURE: CIRCULARITY

Susanna Kass  
Digital Gravity  
Infrastructure Partners

Invert the status quo from 'grab, use, toss' resources and embrace circular thinking for a carbon free economy, not just for the Data Center industry. Cities are full of non-green concrete and non-green steel. Compare that with places in Japan and Korea where data centers have zero embodied carbon, giving free water and regeneration of heat waste using Absolute Zero designs and Net Zero operation.



## Data Center, an Asset Class

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UK DIGITAL INFRASTRUCTURE: ASSET CLASS

Alexander Burgoyne  
Knight Frank

The exit value of new schemes is huge, billions for single assets. When you want to exit there will be a rarefied pool of potential buyers, namely sovereign wealth and infrastructure funds.



## UK Grid

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Peter Walker Energy Optimisation Solutions

### UK DIGITAL INFRASTRUCTURE: UK GRID

The grid infrastructure and the deployment of new technology are suffering from 2-3 decades of under investment in the UK grid. Queue management is also an archaic methodology.



Peter walker, EOS


## UK Capacity

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Peter Walker Energy Optimisation Solutions

### UK DIGITAL INFRASTRUCTURE: UK CAPACITY

We have a capacity shortage because data center operators maintain headroom between standing operating loads and contracted connected capacity to be able to expand into that capacity. That can take 5-7-10 years. All the while you are not expanding into that capacity, it can not be utilised on the network either.



Peter Walker, EOS

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