2025 State of the Data Center Report

Preparing for an AI-Driven Future:
A Look at the Evolution of Our Industry

Executive Summary

DATA CENTER WORLD®

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AFCOM's 2025 State of the Data Center Report, now in its ninth edition, succinctly captures the key trends impacting the industry and what data center managers should do about them. It lays out the extreme magnitude of a transformation that we're currently undergoing: unprecedented innovation, explosive data center growth, and market acceleration. It concludes that every data center is becoming an AI data center.

Scope and Content:
The report delves into significant industry trends and provides fresh perspectives on the evolving landscape of the modern data center. Key findings include:

1. **Data Center Construction and DCIM Implementation:** Over 100 megawatts of new data center construction have been added every single month since late 2021 and the U.S. colocation data center market doubled in size in four years with vacancy rates at a new record low and rents steadily increasing. In parallel, DCIM adoption has risen to 69%.

2. **Power, Cooling, Infrastructure, and Sustainability:** Rack density continues to rise, jumping from 7 kW/rack in 2021 to 16 kW/rack in the latest survey. 79% of respondents expect rack density to grow further due to AI and high-performance workloads. As a result, many data center managers are focused on improving airflow, adopting liquid cooling, and leveraging new sensors for enhanced visibility.

3. **AI Adoption Soars:** The report reveals that 80% of respondents anticipate significant increases in capacity requirements due to AI workloads, and 64% are actively deploying AI-capable solutions in their facilities.

4. **Cloud Migration Trends and Deploying AI Solutions:** Escalating cloud costs are driving higher rates of repatriation and greater adoption of Financial Operations (FinOps) to track, analyze, and control cloud spending, ensuring businesses extract maximum value from cloud investments.

5. **Infrastructure Threats and Supply Chain Challenges:** Over half of respondents reported that their most recent major outage exceeded $100,000; 16% experienced losses of more than $1 million. Supply chain issues directly led to outages in some cases. Meanwhile, ransomware dominates the list of top security and infrastructure threats for the ninth consecutive year.

6. **Budget and Personnel Trends:** Operational and capital expenditures are on the rise with energy and personnel costs having the biggest impact.

Methodology and Expertise:
Under the guidance of Dr. Kristin Letourneau, Ph.D., Director of Market Research at Informa Engage, the report employs top-tier market research methodologies. The AFCOM team, advisors, and members collaboratively contributed, ensuring a comprehensive and authoritative analysis.

Value and Impact:
The report offers invaluable insights for understanding the dynamic nature of the data center market. It is an essential resource for anyone looking to stay informed and adapt to the AI era. It emphasizes the importance of embracing new technologies and innovative solutions for business growth and encourages responsible participation in an AI-centric world.

As the data center continues to play a pivotal role in our AI-driven future, the insights revealed in the 2025 State of the Data Center Report are more relevant than ever.

"In the past year, our relationship with data has shifted profoundly. This isn't just another tech trend; it's a foundational change in how humans engage with information."
-Bill Kleyman

Report compiled by:

Bill Kleyman
AFCOM, Data Center World Program Chair
Featured AFCOM Contributor
Data Center Knowledge, Contributing Editor
CEO & Co-Founder, Apolo.us

Statistical Analysis by:

Kristin Letourneau, PhD
Director, Market Research
Informa Engage

About AFCOM
AFCOM is a professional association that's dedicated to advancing the careers of data center and IT infrastructure professionals. Since AFCOM first began its journey as the Association for Computer Operations Management in 1980, we've evolved alongside the dynamic industry we serve.

Our mission is to provide a forum for members to learn, build professional relationships across the industry, and engage with industry-specific tools, news and the latest research to support their full career development. AFCOM has earned recognition as the market leader in educating, connecting, and guiding the data center community at large.

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