

THE DATA CENTER OPPORTUNITY:

A Diligence Playbook for
Construction Services Investors



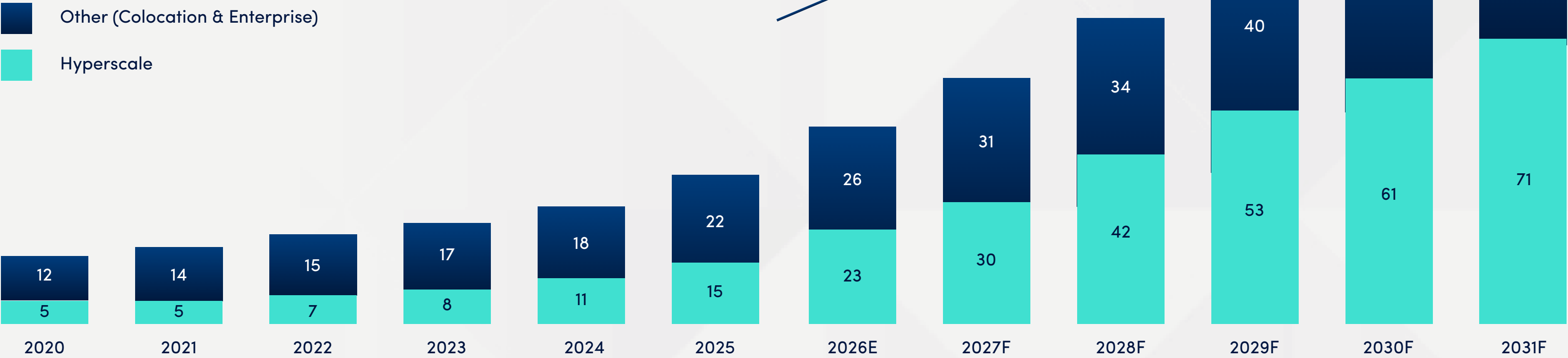
There is a significant opportunity to invest in the construction services for data centers, but investors need to find the right assets with differentiated offerings

- > Data center construction is driving the lion's share of construction services growth in the United States and expected to continue to grow at 20%+ p.a.
- > Virginia and Texas are the two largest markets for current and forecasted data center activity, but with ~2,800 data centers planned / announced there are opportunities nationally
- > Employment in markets with data center activity are rising drastically to meet the increased demand for construction services in those counties
- > Sophisticated private equity investors are investing across the commercial services value chain to capitalize on the data center opportunity

Data Center Market Opportunity

Overall data center inventory continues to rise at a rapid pace

U.S. Data Center Capacity Growth GW of IT Capacity



All sources expect continued investment and growth across the data center markets for the next 5-10 years

Data Center Market Size CAGR Forecast
(CAGR – Global, unless otherwise stated)



Growth Drivers

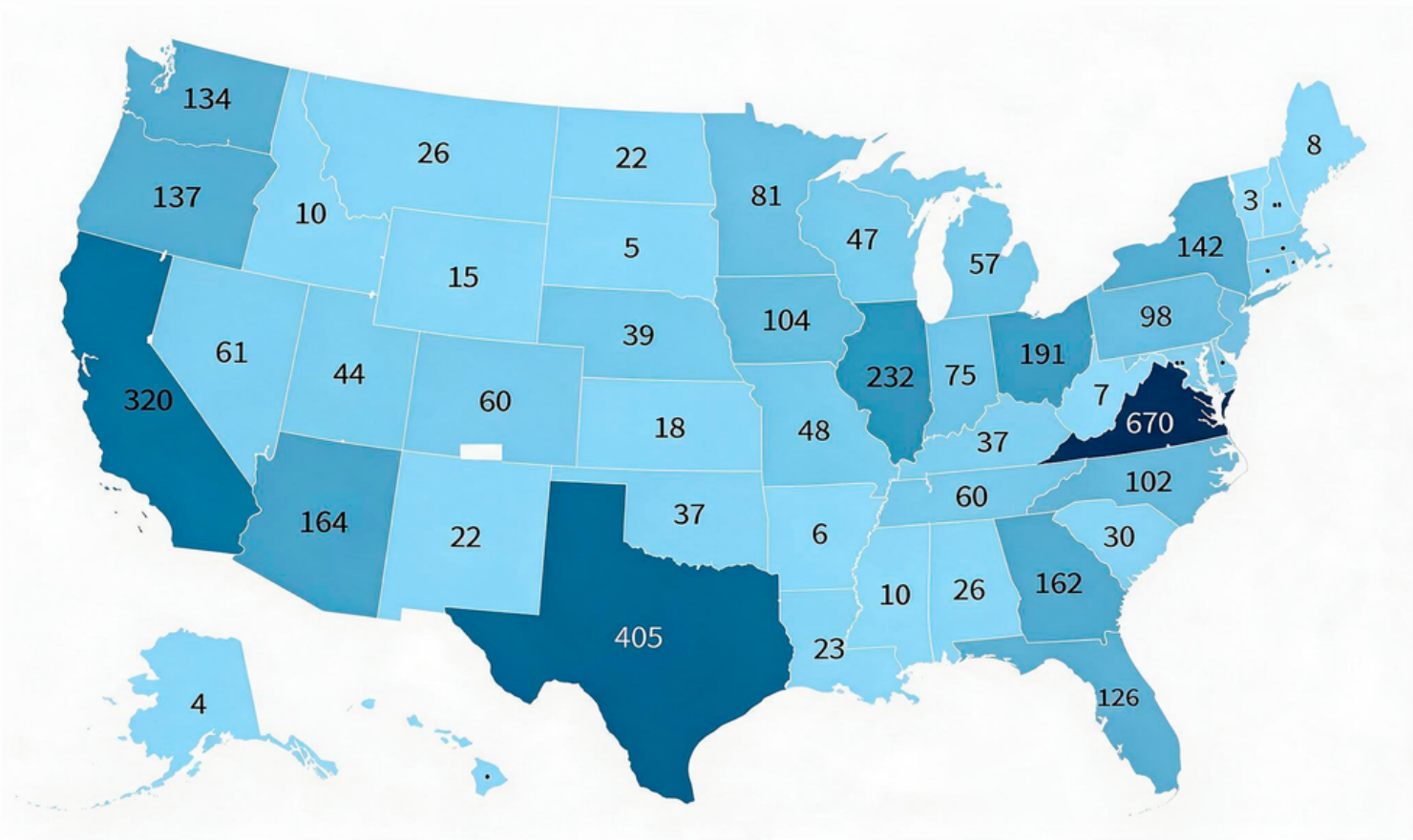
- ▶ AI and hyperscale deployments are driving unprecedented demand for data center capacity
- ▶ U.S. data center power demand is projected to increase from 31 GW in 2025 to 66 GW in 2027, more than doubling in two years
- ▶ Strong leasing, pre-commitment, and cloud/AI workload demand are supporting accelerated buildout despite broader construction market softness

Limitations

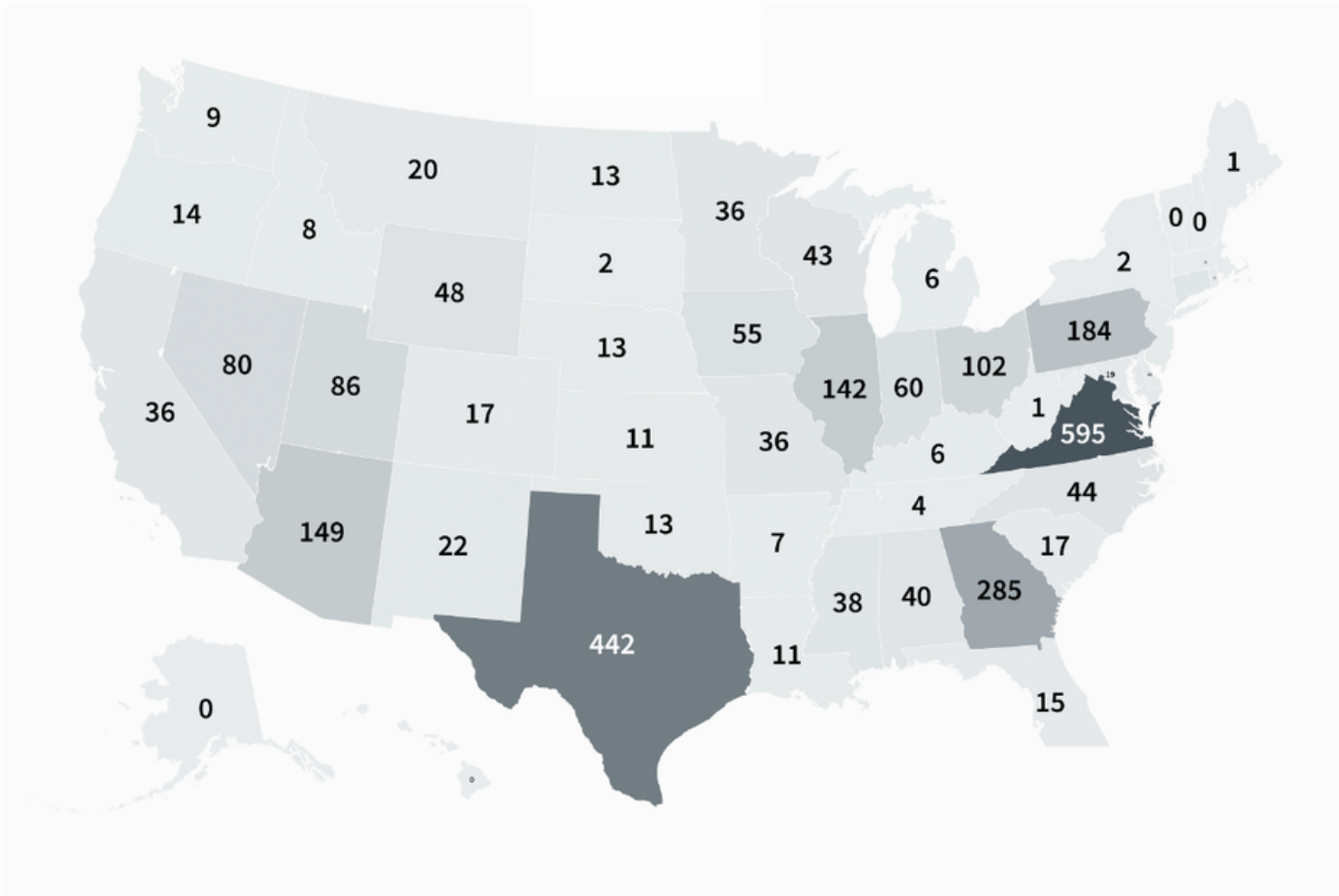
- ▶ Power availability is the key gating factor, with data centers projected to rise from 4–5% of U.S. electricity demand today to 9–17% by 2030
- ▶ Permitting, zoning, water usage, and community scrutiny are extending development timelines in key data center markets
- ▶ Long lead times for transformers, switchgear, and generators remain meaningful constraints

Data center activity is unevenly distributed nationally, with key markets like Northern Virginia, Atlanta and Dallas adding significant inventory

U.S. Active Data Centers (2025)
~4,149 Facilities

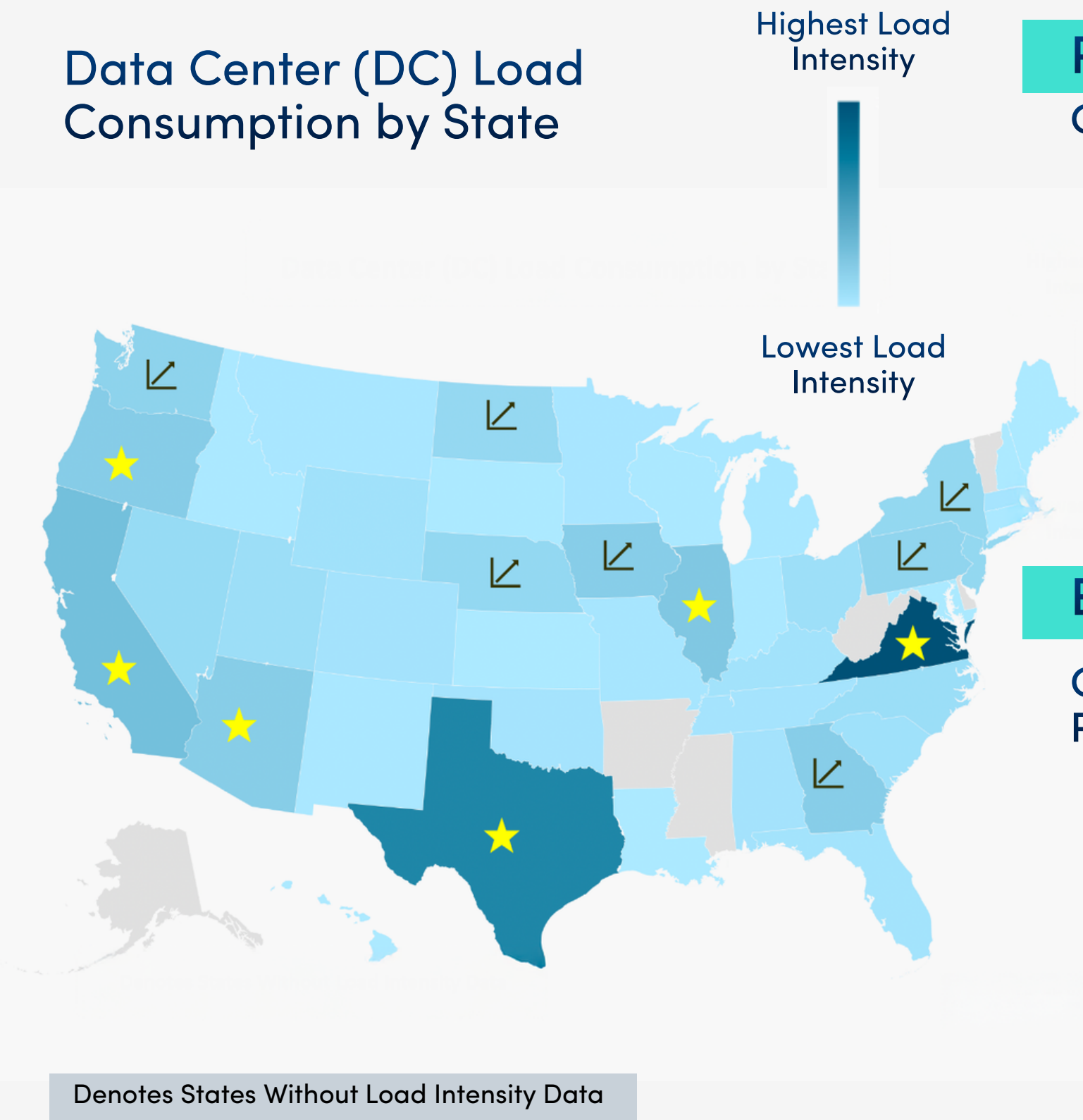


U.S. Announced / Planned Data Centers (as of 2025)
~2,788 Facilities



Similarly, load consumption by state varies drastically

Data Center (DC) Load Consumption by State



Primary Markets ★

Consists of the Virginia, Texas, California, Illinois, Oregon, Arizona

- Total Consumption: 92 GWh (56% of DC power consumption across US)
- Under Construction DC power requirement: 4.88 GW
- Planned DC power requirement: 18.58 GW
- Strong network infrastructure with technological ecosystems and business friendly regulations permit the high growth of data centers in these regions; thereby driving energy requirements
- For California, real estate realization is low. This is leading data center to move to surrounding regions (such as Arizona)

Emerging Markets ↘

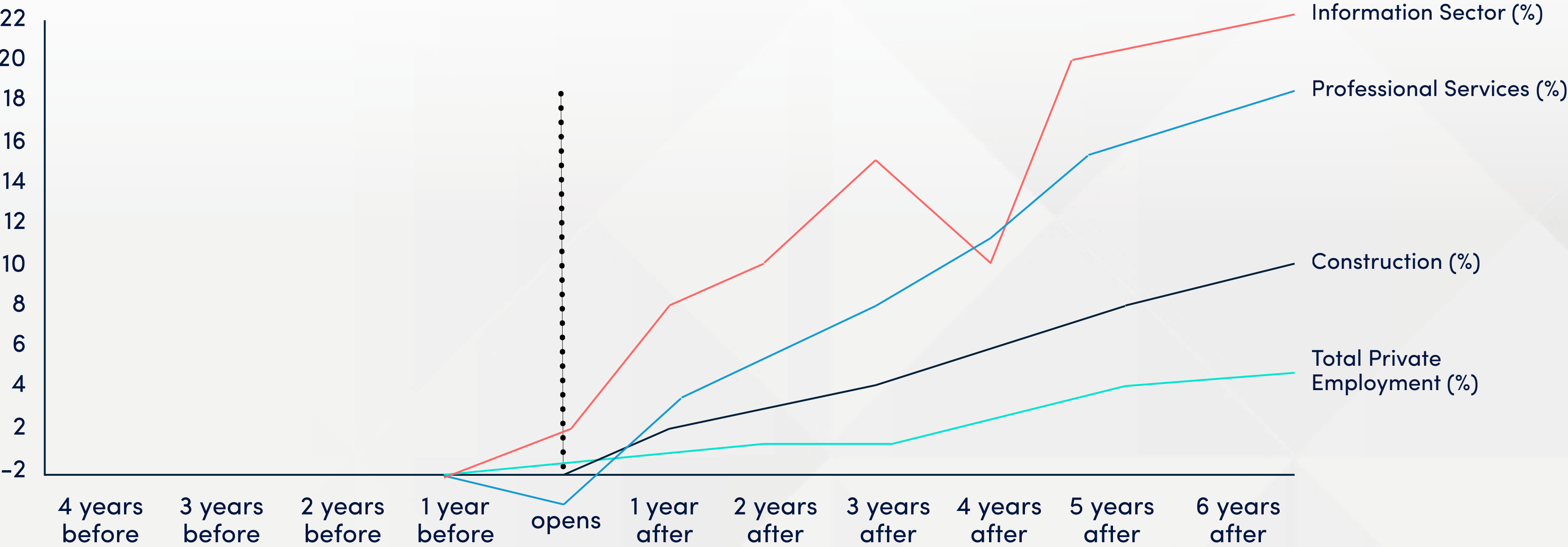
Consists of 8 states (Iowa, Georgia, Washington, Pennsylvania, New York, New Jersey, Nebraska, North Dakota)

- Total Consumption: 41k GWh (25% of DC power consumption across US)
- Under Construction DC power requirement: 2.15 GW
- Planned DC power requirement: 1.83 GW
- Data centers in states such Iowa, Nebraska, and Nevada also benefit from low energy costs
- Power sources are abundant in these areas with grid allocations less trained as compared to primary markets. However, Lack of power infrastructure and transmission proves to be a current challenge data centers and hinders growth

Commercial Services

Data center development is driving significant growth in demand for local services

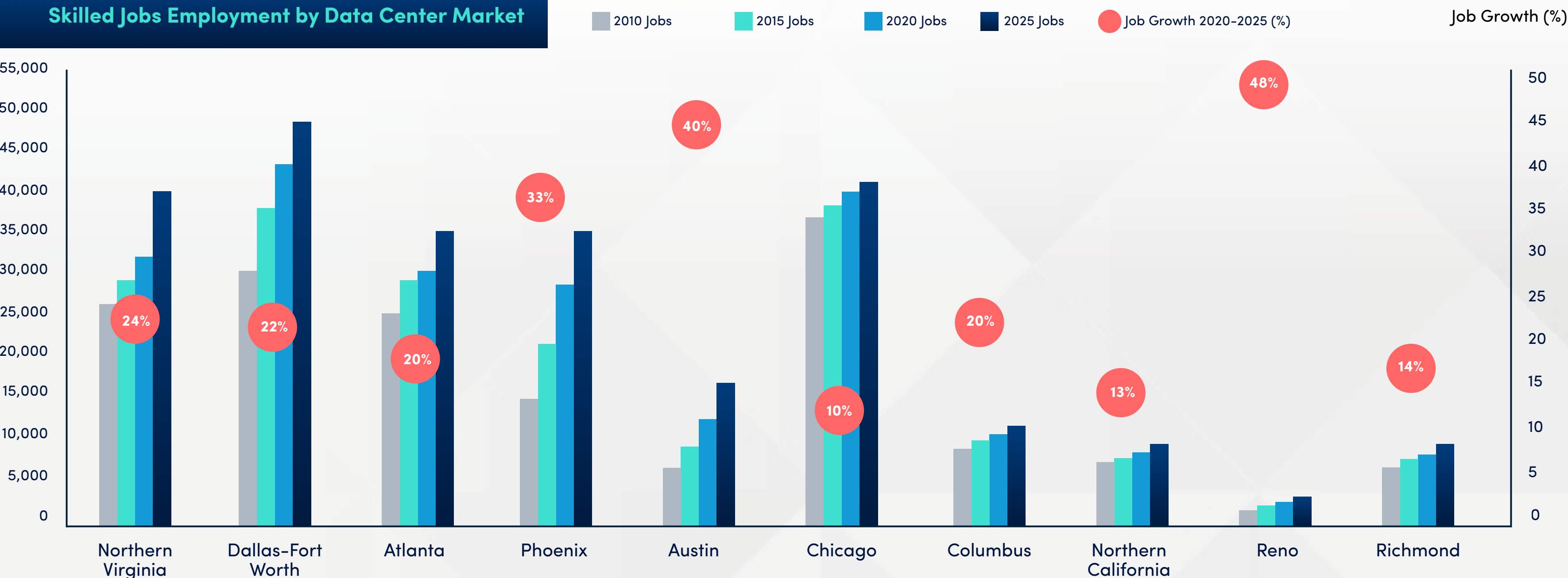
Employment Growth in Counties with Data Center Construction
Employment Growth (%)



Brookings Institution

Growth in skilled trades employment is especially high in these markets with significant data center activity

Skilled Jobs Employment by Data Center Market



Notes: Includes employment of electricians, plumbers, HVAC installers, and telecom line workers
Sources: Lightcast, DatacenterHawk, Avison Young Market Intelligence

The degree of differentiation varies significantly by trade

Immediately differentiated offerings

Over the last few years investors and companies have invested heavily in meeting the demand for specialized crews with technical certifications and expertise with data center-specific capabilities

- Electricians (including UPS, PDU, commissioning, cabling, feeder installation, etc.) require experience working with the high energy loads, and mission critical systems operating in data centers
- HVAC techs require knowledge of the data-center specific air handlers, cooling systems, and liquid management capabilities common in data centers
- Fire installation and maintenance crews need certification and experience working with very early smoke detection (VESDA) systems and clean agent fire suppression systems common in data centers



Electricians



HVAC Tech



Fire Installation

“We need specialized electrician, HVAC, and fire safety crews for our data centers because of the specific capabilities that are required for our projects. Other trades may have some specialty requirements, but to a much lesser extent.”

Project-specific expertise is driving differentiated value

- Companies have been adding specialized crews with specific construction / maintenance capabilities to meet unique demands, but the majority of work is similar to other non-residential commercial projects
 - Fiber / utility technicians need to have the experience working with large cabling which sometimes adds to the complexity of the work
 - Concrete / drywall service providers often must meet a higher level of “green” targets (i.e., proven carbon emission thresholds)



Fiber Utilities



Concrete Foundation



Drywall

– Data Center Procurement, AWS

“I have a strong preference for trades groups that have data center capabilities regardless of the trade. Yes a data center roof is not that different from a warehouse roof, but I need to know the team can do it fast, at scale, and without errors. I always bias to someone with the experience.”

Data center expertise differentiates, but may require education

- Investors and competitors may not immediately see the differentiation, but customers highly value working with trade teams that have data centers experience as this gives buyers comfort that the crews can handle the scale and speed
 - Roofers need experience working on mission critical roofs (e.g., hospitals), and large-scale roofing projects, and the speed of first build and frequency of rooftop walks may result in greater post-construction maintenance services
 - Site prep / earthworks crews need speed and scale, and the work often requires more substations
 - Security installation services may have some cabling nuances, but the underlying assets are so valuable that quality is paramount



Roofers



Security



Site prep / Earthworks

– Data Center Procurement, AWS

Key Data Center Strategy Questions to Answer in Diligence

- > How much data center runway is available in the asset's core geographies? If data center opportunities were to delay, how much underlying growth is in the market for other mission-critical projects?
- > Does the asset have differentiated capabilities that give it an advantage in data centers? What certifications or proprietary processes / products does the company offer that give it this advantage?
- > Which GCs and hyperscalers does the company have relationships with? Are those relationships with national leaders or just local teams? Does the company have the ability to effectively serve data center projects in new geographies?
- > Is the company supporting any data centers post-construction? If so, with what services and what is the go-to-market motion? Is the company positioned to take advantage of the faster refresh cycles often required for data centers?



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Key Diligence Questions	Stronger Answers	Weaker Answers
How much data center runway is available in the asset’s core geographies? If data center opportunities were to delay, how much underlying growth is in the market for other mission-critical projects?	Exposure to Texas, Arizona, or Georgia have significant runway for continued expansion with the grid infrastructure to support	Mid-Atlantic exposure has some positive announced runway, but recent moratoriums and grid challenges may cause issues
Does the asset have differentiated capabilities that give it an advantage in data centers? What certifications or proprietary processes / products does the company offer that give it this advantage?	Strong track record with GCs and hyperscalers, including unique GTM and delivery processes	Limited track record of winning and performing data center projects
Which GCs and hyperscalers does the company have relationships with? Are those relationships with national leaders or just local teams? Does the company have the ability to effectively serve data center projects in new geographies?	Both local and executive relationships with the top data center GCs (HITT, Holder, Clayco, etc.) and hyperscalers Historical case studies of expansion projects outside of the asset’s core geography	Only local one-off projects with tier 3 data center GCs with no history of expansion projects
Is the company supporting any data centers post-construction? If so, with what services and what is the go-to-market motion? Is the company positioned to take advantage of the faster refresh cycles often required for data centers?	Proven relationships with the asset owners (AWS, Google, etc.) and property managers (JLL, CBRE) including maintenance contracts and ongoing support	Only supporting GCs on new construction