AlixPartners

Data Center Market Pulse Check: Looking Ahead to 2027

In our latest survey of 400+ executives across North America, Europe, and the Middle East, one conclusion is clear: The pressures reshaping the global data center sector compounded. A year ago, we saw the fault lines forming. Now, they are deepening.

Demand visibility has worsened. Distress expectations have risen. Delays are now the industry's default assumption. Focusing on any individual problem, whether high voltage, low voltage, cooling, or labor, is like playing whack-a-mole. To counter these trends, the sector needs a fundamental, holistic coordination to move forward.

For investors, customers, operators, and infrastructure providers, the sentiment shifts in this year's survey point to one of the most challenging periods in the sector's history. Below is an early look at a few of the most significant findings. The full report comes out in September.

64%

of respondents have less than 12 months of demand visibility, up from **57% in 2025.**

DEMAND VISIBILITY

Strong headline demand is masking a more complex reality beneath the surface. Shifting technology trajectories and continuously evolving design requirements are compressing planning horizons, leaving most operators with less than a year of reliable visibility to work with.

83%

of respondents expect data centers will require upgrades to cope with new silicon architectures.

SILICON SHELF LIFE

The pace of silicon innovation is outrunning the infrastructure built to support it. Four in five data centers are expected to need upgrades, and for half of those, incremental fixes won't be enough. Full equipment replacement and facility redesign are on the table.

64%

of respondents expect distressed situations to increase over the next 12-18 months, up from **61% in 2025.**

DISTRESS

The underlying pressures (strained construction pipelines, mounting community opposition, and tightening capital markets) are well known, but their combination is what's sharpening concern. AI infrastructure operators are the most bearish.

66%

of data center projects are expected to face delays, rising to **85% in the Middle East.**

DELAYS

Cooling, high voltage equipment and fiber bottlenecks get the headlines, but respondents point to something more fundamental: The challenge of coordinating materials, labor, and design changes in lockstep. It's not about a single constraint driving delays, but rather the orchestration of all three.

The boom is real; the confidence behind it is not. The full report goes inside each fault line, and what separates the operators who will compound from the ones who will be exposed.

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