



# Los Angeles Data Center Market Report

**PREPARATION DATE**

April 2026

**PREPARED FOR**

Volterra Client

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## Executive Summary

The Los Angeles data center market remains a strategically important West Coast interconnection and content hub, defined by constrained expansion capacity, elevated pricing, and limited greenfield development opportunities.

Unlike primary hyperscale expansion corridors such as Northern Virginia, Phoenix, or Dallas, Los Angeles is not characterized by multi-gigawatt campus development. Instead, the market functions as a network-dense, latency-sensitive environment where proximity to end users, subsea cable landings, and carrier ecosystems drive demand.

Commissioned capacity remains concentrated among established retail interconnection operators, with hyperscale deployments largely occurring through leased space rather than owned campuses. Structural vacancy remains tight, and pricing across retail, wholesale, and hyperscale segments has trended upward over the past several years.

Expansion within the basin is increasingly gated by power availability, entitlement complexity, and land constraints. As a result, sites capable of securing utility capacity with timeline certainty represent a differentiated and valuable subset of the development universe.

For CLIENT, the key market dynamic is not whether capital exists for data center development — it does — but whether a site can credibly deliver scalable power within a timeframe aligned with hyperscale or enterprise demand.

In this market, competitive advantage is driven less by scale and more by execution certainty. Developers who can demonstrate power access and timeline credibility will command outsized attention relative to purely speculative land positions.

**VACANCY: ~5%**

**LARGEST OPERATOR:  
CORESITE**

### LOS ANGELES MARKET PROFILE

- ▶ Network-dense, not land-dense
- ▶ Lease-driven hyperscale presence
- ▶ Constrained entitlement environment
- ▶ Premium pricing relative to cost-driven markets

### PRIMARY RISK TO DEVELOPERS

- ▶ Power delivery uncertainty
- ▶ Extended utility interconnection timelines
- ▶ Limited large-block availability
- ▶ High basis relative to secondary markets

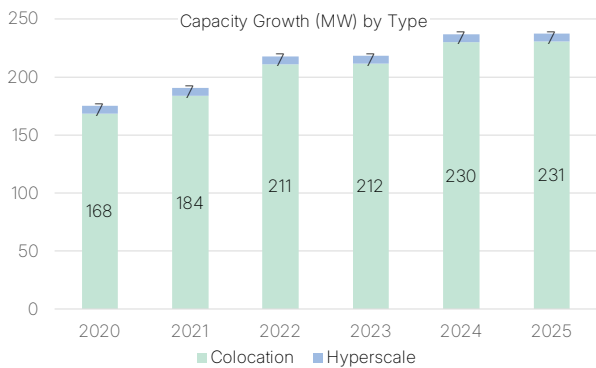
### CRITICAL SUCCESS FACTORS

- ▶ Utility queue visibility
- ▶ Substation proximity
- ▶ Entitlement certainty
- ▶ Pre-lease alignment

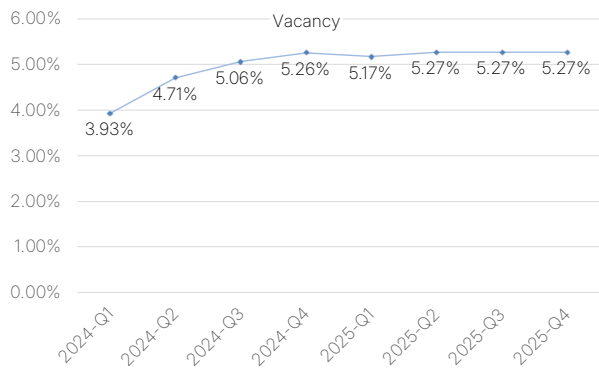
Data Center Market Detail

The Los Angeles data center market remains a strategically important West Coast interconnection and content hub, characterized by constrained supply, elevated pricing, and limited greenfield expansion. Unlike hyperscale-driven Tier 1 markets such as Northern Virginia or Atlanta, Los Angeles is defined by network density, proximity to end users, and international connectivity rather than campus-scale power aggregation.

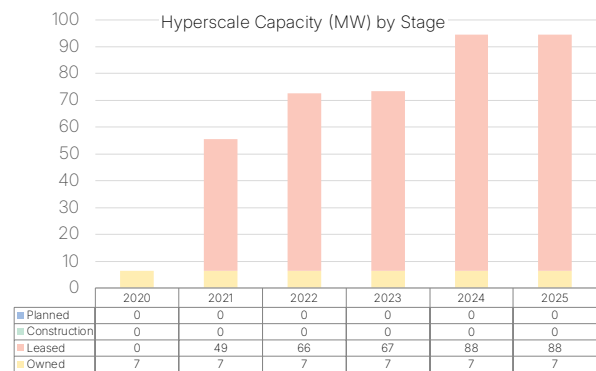
While total commissioned capacity remains modest relative to primary hyperscale corridors, structural vacancy remains tight and pricing remains firm. Expansion is increasingly gated by power availability and entitlement timelines, reinforcing the value of sites capable of securing utility capacity in a predictable manner.



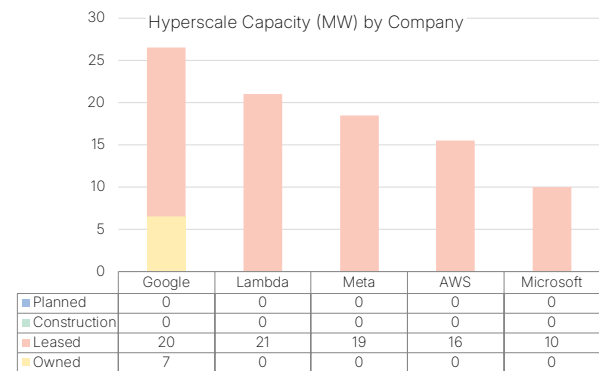
COMMISSIONED CAPACITY HAS STEADILY EXPANDED SINCE 2020, DRIVEN PRIMARILY BY HYPERSCALE DEPLOYMENTS. HYPERSCALE GROWTH HAS ACCELERATED MATERIALLY SINCE 2022, REFLECTING LARGE ENTERPRISE CLOUD DEMAND AND AI-DRIVEN REQUIREMENTS.



VACANCY HAS REMAINED STRUCTURALLY TIGHT OVER THE PAST EIGHT QUARTERS, STABILIZING IN THE ~5% RANGE THROUGH 2025. WHILE MODESTLY ELEVATED FROM 2024 LOWS, AVAILABILITY REMAINS CONSTRAINED RELATIVE TO HISTORICAL NORMS, PARTICULARLY FOR LARGE CONTIGUOUS BLOCKS OF POWERED CAPACITY.

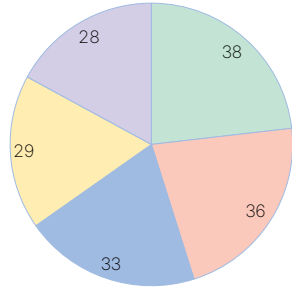


HYPERSCALE PRESENCE IN LOS ANGELES REMAINS PREDOMINANTLY LEASE-DRIVEN RATHER THAN OWNED-CAMPUS DRIVEN. LEASED CAPACITY HAS INCREASED MEANINGFULLY SINCE 2021, REACHING APPROXIMATELY 88 MW BY 2025. IN CONTRAST, OWNED HYPERSCALE CAPACITY REMAINS LIMITED AND LARGELY STATIC.



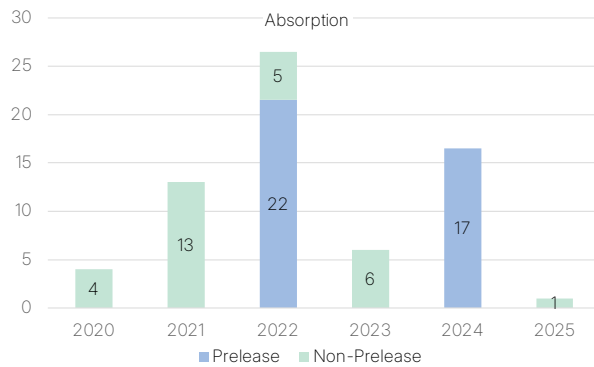
GOOGLE MAINTAINS THE LARGEST OWNED FOOTPRINT IN-MARKET, WHILE AWS, MICROSOFT, META, AND OTHER PLATFORMS PRIMARILY DEPLOY THROUGH LEASED CAPACITY WITHIN ESTABLISHED RETAIL INTERCONNECTION FACILITIES.

Provider Commissioned Capacity (MW)



CoreSite Equinix Prime Csquare Digital Realty

THE COMMISSIONED MARKET REMAINS FRAGMENTED AMONG ESTABLISHED RETAIL INTERCONNECTION OPERATORS AND REGIONAL PROVIDERS. CORESITE, EQUINIX, PRIME, CSQUARE, AND DIGITAL REALTY COLLECTIVELY ANCHOR THE MARKET, WITH NO SINGLE OPERATOR HOLDING OVERWHELMING DOMINANCE.

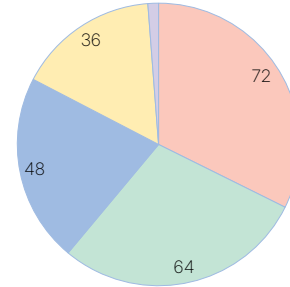


ABSORPTION HAS BEEN VOLATILE YEAR-OVER-YEAR, WITH PRE-LEASED TRANSACTIONS DRIVING PEAK YEARS (NOTABLY 2022 AND 2024). SPECULATIVE ABSORPTION REMAINS LIMITED, REINFORCING THE IMPORTANCE OF PRE-COMMITMENTS FOR NEW DEVELOPMENT.



WHOLESALE RATES HAVE RISEN MEANINGFULLY SINCE 2020, PARTICULARLY IN 2022-2024, REFLECTING TIGHTER AVAILABILITY OF POWERED SHELL CAPACITY.

Provider Planned Capacity (MW)

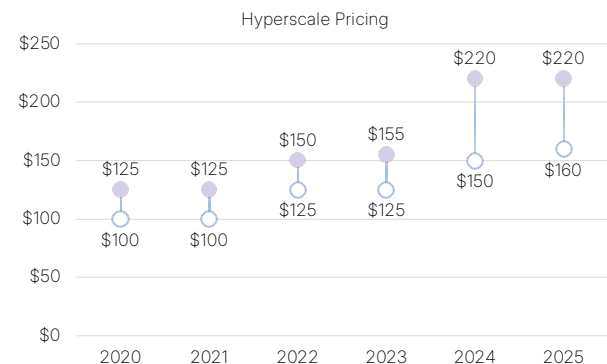


DigiCo Goodman Digital Realty CoreSite Evocative

PLANNED CAPACITY IS CONCENTRATED AMONG A SMALL GROUP OF OPERATORS ACTIVELY PURSUING INCREMENTAL EXPANSION. NOTABLY, DIGICO AND GOODMAN REPRESENT A MEANINGFUL SHARE OF ANNOUNCED PIPELINE, ALTHOUGH TOTAL PLANNED MW REMAINS MODEST RELATIVE TO TIER 1 GROWTH MARKETS.



RETAIL COLOCATION PRICING HAS STEADILY INCREASED SINCE 2020, REACHING ~\$360/kW BY 2024-2025 FOR PREMIUM DEPLOYMENTS.



HYPERSCALE LEASE PRICING HAS INCREASED MATERIALLY SINCE 2020, REACHING ~\$220/kW BY 2024-2025.

## Market Comps - Powered Land

Recent powered land transactions illustrate the premium placed on sites capable of delivering utility capacity within predictable timelines. Pricing for smaller, strategically located parcels has ranged materially based on entitlement status, proximity to substations, and development readiness.

The wide spread in \$/acre values reflects execution certainty rather than raw land value. Parcels with secured or near-term power availability command a significant premium relative to speculative sites.

These transactions demonstrate that capital remains available for power-enabled land in Los Angeles; however, underwriting is heavily conditioned on queue visibility and utility coordination.

| PERIOD  | PURCHASER   | ACRES | PRICE        | \$/ACRE     |
|---------|-------------|-------|--------------|-------------|
| 2024-Q4 | HMC Capital | 16    | \$39,000,000 | \$2,462,121 |
| 2024-Q4 | CoreSite    | 7     | \$61,500,000 | \$8,723,404 |
| 2023-Q2 | Goodman     | 7     | \$40,590,405 | \$7,171,450 |

## Market Comps - Shells

The recent shell acquisition highlights sustained investor appetite for partially developed infrastructure in constrained markets. At over \$200/SF, pricing reflects both replacement cost inflation and the strategic value of entitled, near-ready capacity.

Shell transactions in Los Angeles are less common than in expansion markets, reinforcing the limited inventory of intermediate-stage assets. For developers, this suggests that advancing sites through entitlement and early infrastructure phases can materially enhance valuation.

| PERIOD  | PURCHASER      | SF      | PRICE        | \$/SF    |
|---------|----------------|---------|--------------|----------|
| 2025-Q3 | Digital Realty | 233,903 | \$48,800,000 | \$208.63 |

## Market Comps - Existing Data Centers

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There have been no major existing data center transactions in the prior three years. This lack of liquidity reflects limited available inventory rather than diminished investor interest.

Operational assets in Los Angeles are tightly held, particularly those with strong interconnection density or long-term hyperscale tenancy. Any stabilized asset entering the market would likely command competitive bidding dynamics.

## Data Center Detail

Detail on the fifteen largest (by MW) data centers in the market.

| OPERATOR       | CITY        | IT LOAD (MW) | STATUS       |
|----------------|-------------|--------------|--------------|
| Prime          | Vernon      | 33           | Commissioned |
| CoreSite       | Los Angeles | 18.325       | Commissioned |
| Serverfarm     | El Segundo  | 18.3         | Commissioned |
| Csquare        | Irvine      | 13.2         | Commissioned |
| Equinix        | El Segundo  | 12.7         | Commissioned |
| CoreSite       | Los Angeles | 11.96        | Commissioned |
| DataBank       | Irvine      | 11           | Commissioned |
| Digital Realty | El Segundo  | 9.6          | Commissioned |
| Rising Realty  | Los Angeles | 9.5          | Commissioned |
| Equinix        | Torrance    | 9.25         | Commissioned |
| Digital Realty | Los Angeles | 9.12         | Commissioned |
| QuadraNet      | Los Angeles | 9            | Commissioned |
| Csquare        | Irvine      | 8            | Commissioned |
| Equinix        | El Segundo  | 7.8          | Commissioned |
| Google         | Los Angeles | 6            | Commissioned |

## Sources

This report incorporates data derived from a combination of proprietary research, third-party data subscriptions, and market intelligence sources, including but not limited to:

- ▶ Direct market conversations with operators, developers, brokers, utilities, and capital providers
- ▶ Public filings and press releases
- ▶ Social media disclosures and operator announcements
- ▶ DataCenterHawk
- ▶ Volterra Intelligence
- ▶ Volterra Advisors proprietary datasets and analytical models
- ▶ Other industry data providers and subscription-based research platforms

Market transaction data, pricing ranges, capacity figures, and absorption estimates may reflect a combination of confirmed transactions, reported market activity, and informed market estimates.

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Data center capacity figures, leasing volumes, pricing ranges, and development pipeline information are subject to change without notice. Utility timelines, power availability, entitlement status, and capital market conditions may materially impact outcomes.

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