

Cost Comparisons: Enterprise Data Centers vs Colocation vs Cloud

DECEMBER 2025

SUMMARY

More than one-in-four owner/operators (28%) say the cost of provisioning workloads is cheaper using a colocation facility. However, 42% say the cost of provisioning workloads is cheaper using their own data center.

While 19% of respondents say the cost of provisioning workloads is cheaper using public cloud, 46% say the cost is cheaper using their own data center.

In a direct comparison of the cost of colocation facilities vs public cloud, nearly half of owner/operators (47%) say colocation is cheaper for provisioning workloads, while 29% say public cloud is cheaper.

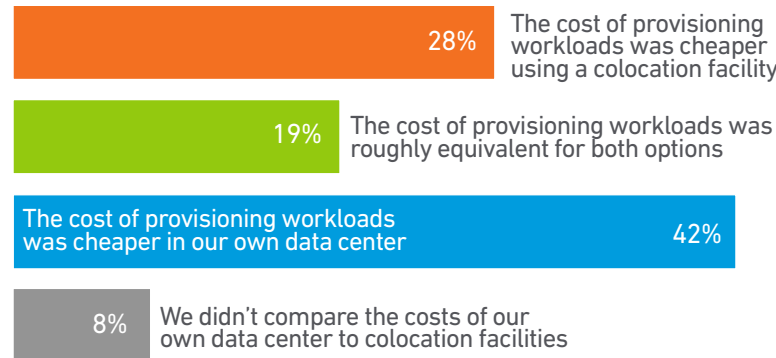
In which areas do data center operators say they've experienced the greatest unit cost increases over the past 12 months? Not surprisingly, 42% say *power costs*. Besides power, other leading cost increases include *capacity expansion costs* (32%), *IT hardware costs* (28%), and *staffing costs* (23%).

ABOUT THIS REPORT

Uptime Institute's 2025 Data Center Spending Survey was conducted between September 22, 2025 and October 31, 2025 and had a total of 850 data center industry respondents.

Colocation facility cost vs enterprise data centers

I. When you compared the cost of your own data center vs colocation facilities, what did you discover? Choose all that apply. (n=231)

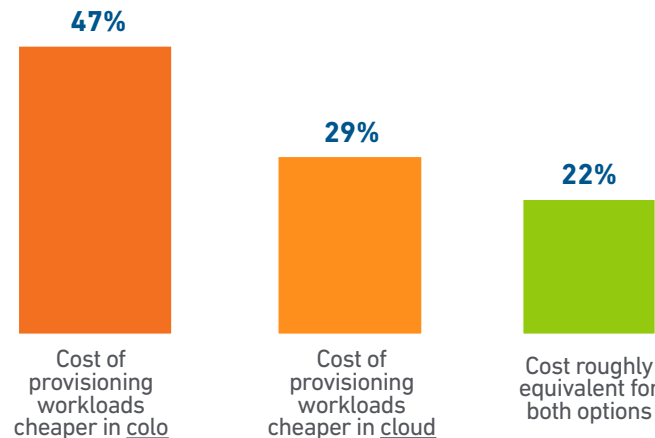


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Direct comparison: colocation cost vs public cloud cost

III. When directly comparing the cost of colocation facilities versus public cloud, which of the following did you discover? Choose all that apply. (n=154)

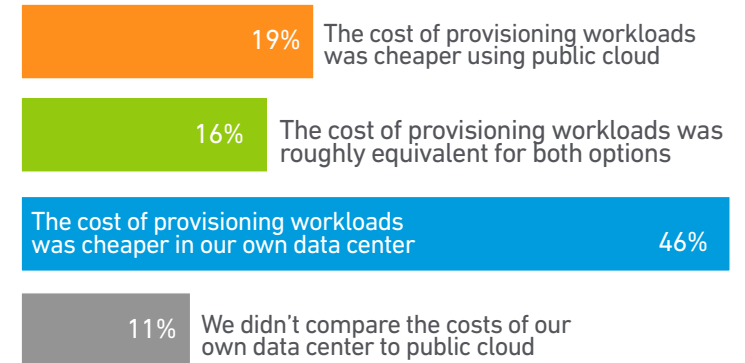


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Public cloud cost vs enterprise data centers

I. What about the cost of public cloud? When you compared the cost of public cloud vs your own data center(s), what did you discover? Choose all that apply. (n=231)

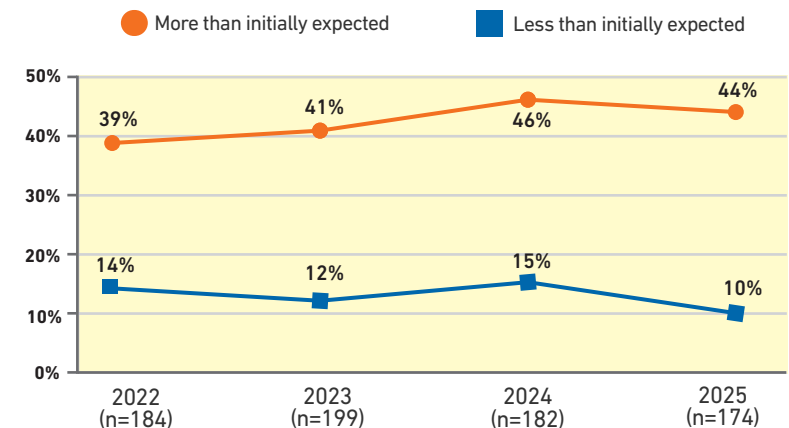


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Colocation costs: More or less than expected?

IV. Would you say the use of a colocation facility is costing your organization more than initially expected or less than expected?

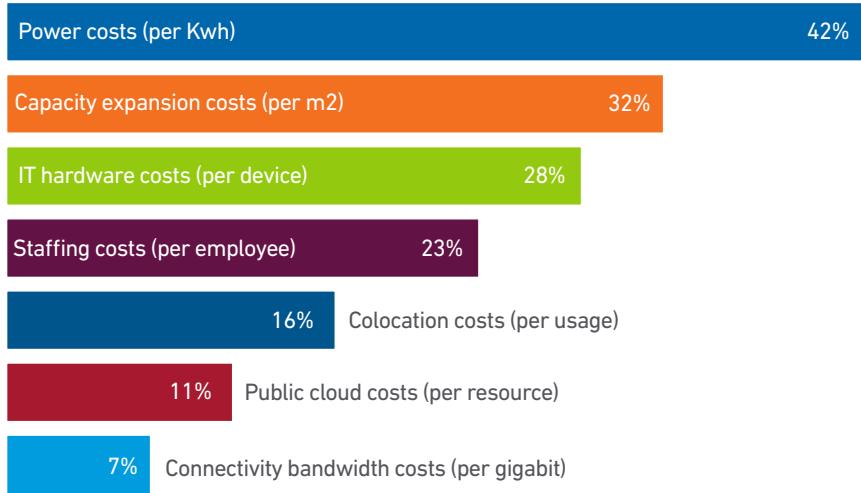


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Greatest cost increases: Past 12 months

V. Regarding your organization's data center expenses, in which areas has your organization experienced the greatest unit cost increases over the past 12 months? Choose no more than two. (n=367)

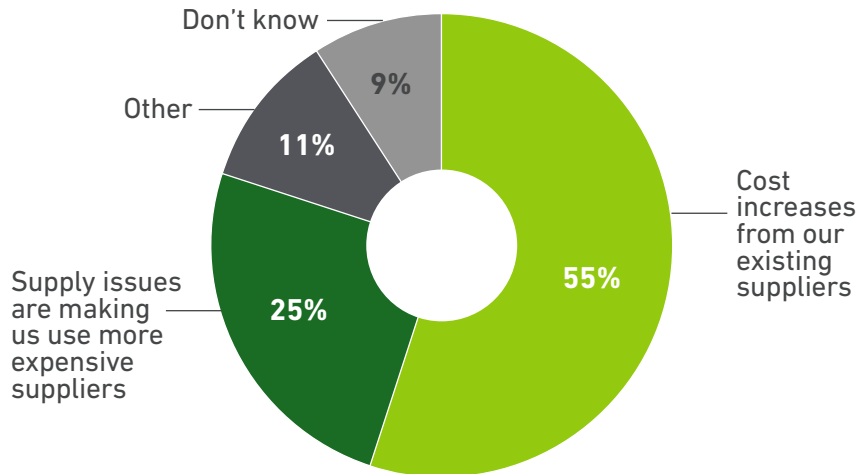


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Increase in hardware costs: Primary drivers

VII. Which of the following has been the primary driver of increased hardware costs (per device) over the past 12 months? (n=97)

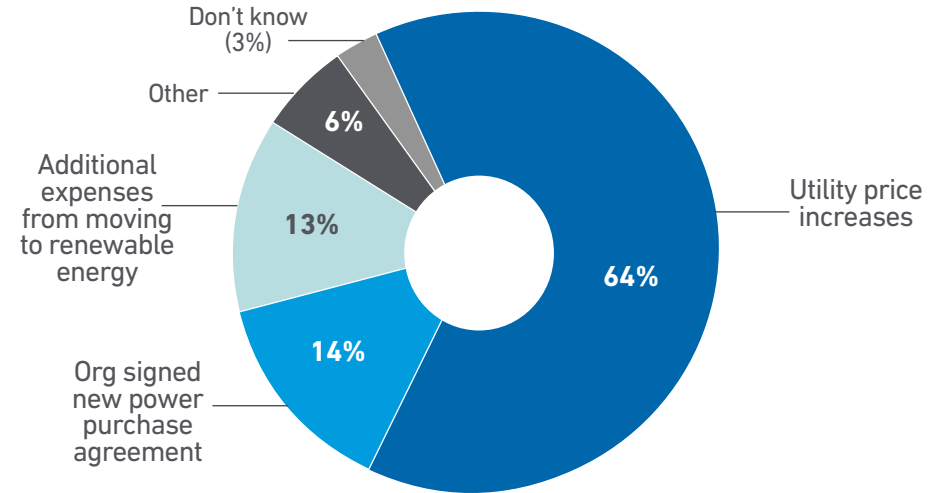


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Increase in power costs: Primary drivers

VI. Which of the following has been the primary driver of increased unit power costs (per KWh) over the past 12 months? (n=152)

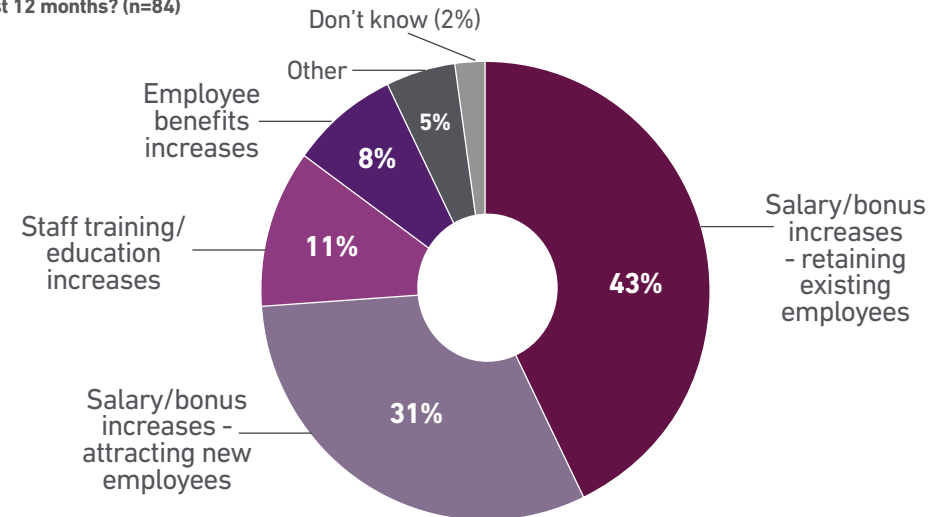


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Increase in staffing costs: Primary drivers

VIII. Which of the following has been the primary driver of increased unit staffing costs (per employee) over the past 12 months? (n=84)

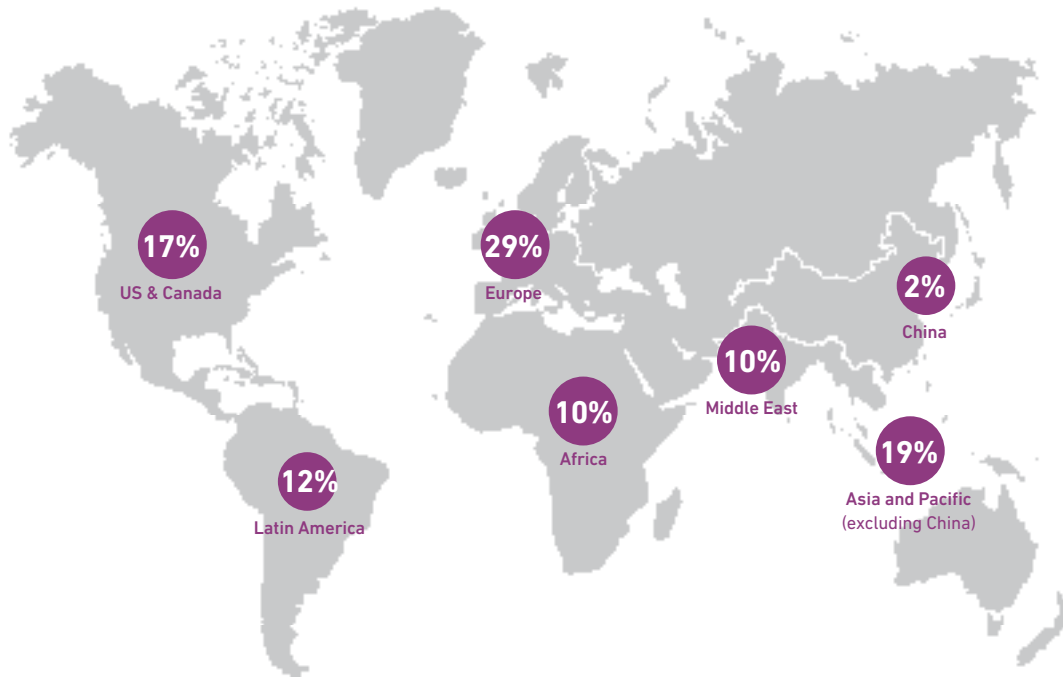


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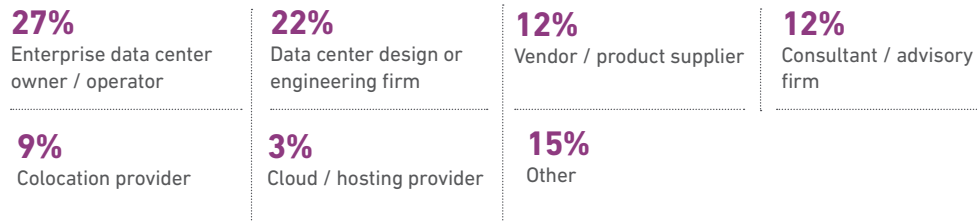


Spending Survey Respondent Demographics

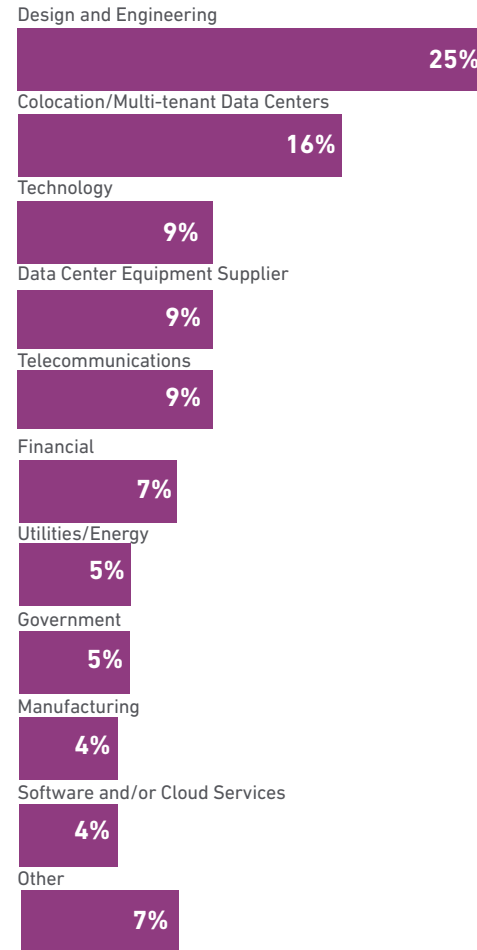
Respondents' location (n=850)



Digital infrastructure environment (n=850)



Verticals (n=629)



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About Uptime Institute

Uptime Institute is the Global Digital Infrastructure Authority. With over 4,000 awards issued in over 122 countries around the globe, and over 1,100 currently active projects in 80+ countries, Uptime has helped tens of thousands of companies optimize critical IT assets while managing costs, resources, and efficiency.

For over 30 years, the company has established industry-leading benchmarks for data center performance, resilience, sustainability, and efficiency, which provide customers assurance that their digital infrastructure can perform across a wide array of operating conditions at a level consistent with their individual business needs.

Uptime's Tier Standard is the IT industry's most trusted and adopted global standard for the design, construction, and operation of data centers. Offerings include the organization's Tier Standard and Certifications, Management & Operations reviews and assessments including SCIRA-FSI financial sector risk assessment, the Sustainability Assessment, and a broad range of additional risk management, performance, availability, and related offerings.

Uptime Education training programs have been successfully completed by over 90,000 data center professionals, such as the much-valued ATD (Accredited Tier Designer) and AOS (Accredited Operations Specialist). The Uptime Education curriculum has been expanded by the acquisition of CNet Training Ltd. in 2023.

Uptime Institute is headquartered in New York, NY, with offices in London, São Paulo, Dubai, Riyadh, and Singapore, and full-time Uptime professionals based in over thirty-four countries around the world. For more information, visit uptimeinstitute.com.

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