William Blair

Equity Research
Technology, Media, and Communications | Real Estate

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Industry Report

CRE Services: A Quiet Champion of the Data Center Boom

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Contents

Introduction

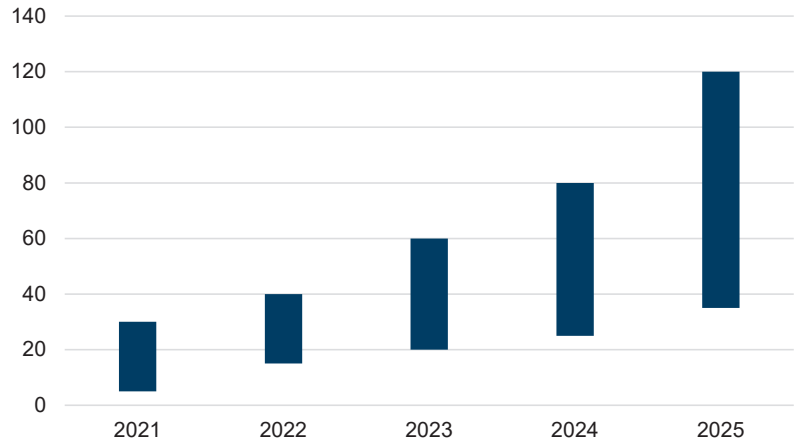
The rapid adoption of cloud computing alongside the proliferation of AI has driven an explosion in demand for data center infrastructure. Enterprises have been shifting workloads to the cloud for years, and more recently, AI applications that require immense computational power have made data centers the backbone of a technology revolution that remains in the early stages. This surge in demand is driving billions of investment dollars toward high-performance facilities capable of supporting increasingly advanced workloads. It is no secret that investors are looking to capitalize on the long-term tailwinds these trends provide, piling capital into hyperscalers, especially those in the "Magnificent 7"; data center operators' energy providers, considering the significant power required to operate data centers; and more specialized real estate investment trusts (REITs). **In this report we present what we believe to be an underappreciated beneficiary of growth in this end-market—commercial real estate (CRE) services providers.**

Data centers may be quickly emerging as a fifth primary subsector for our CRE services coverage (beyond the core four in office, industrial, multifamily, and retail). Our coverage is seeing significant growth supporting data centers, and this subsector is quickly becoming a bigger part of their overall revenue and profit mix. This is especially true for CBRE and Jones Lang LaSalle (both have acquired specialized data center capabilities in recent years), but Colliers and Cushman & Wakefield are also capitalizing on data center tailwinds. Below, we provide some high-level metrics for each of our covered companies highlighting this trend:

- For CBRE, about 10% of 2024 adjusted EBITDA related to data centers, up from 3% in 2021 (implies a mid-40% CAGR, although some of that is inorganic).
- For JLL, an estimated 5% of square footage managed in the REMS segment is from data centers, up from low single digits a few years prior.
- For Colliers, about $10 billion of its AUM (10% of the total) in the investment management segment is closely correlated to data centers, along with 3% of RES segment brokerage revenue.
- For Cushman, a low-single-digit percentage of total revenue comes from data centers, and North American data center revenue roughly doubled in 2024.

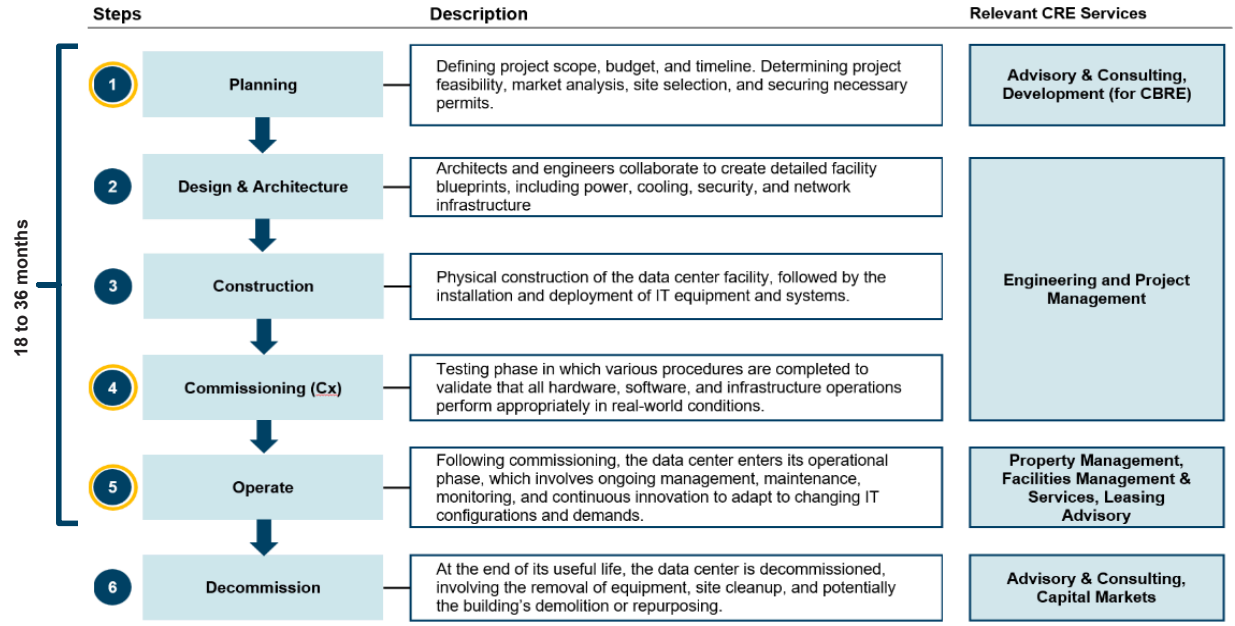
Importantly, as data center power capacity increases, so does the monetization opportunity for our CRE services coverage. Unlike other subsectors where leasing and property/facility management contracts are commonly priced per square foot, for data centers these solutions are typically priced based on total power capacity, so as server rack density and total power capacity increases (this has been happening quickly, as shown in exhibit 1), so does the revenue opportunity for our coverage although there certainly could be some offset from price compression. Given this dynamic, we believe the CRE services monetization opportunity for data centers should increase as: 1) more data centers are built; 2) power capacity per location moves higher; and 3) propensity to outsource data center management increases (especially with any expansion of colocation data centers or those associated with hyperscalers). In exhibit 2, we provide an overview of the data center lifecycle and have highlighted the relevant service lines where we believe there are meaningful monetization opportunities for our CRE services coverage (most relevant circled in yellow). We have also compiled an appendix to this report highlighting some other relevant companies pursuing this opportunity.

Exhibit 1
Average Server Rack Density Ranges
(KW per Rack)



Source: Cushman & Wakefield Research and William Blair Equity Research

Exhibit 2
Data Center Development Lifecycle



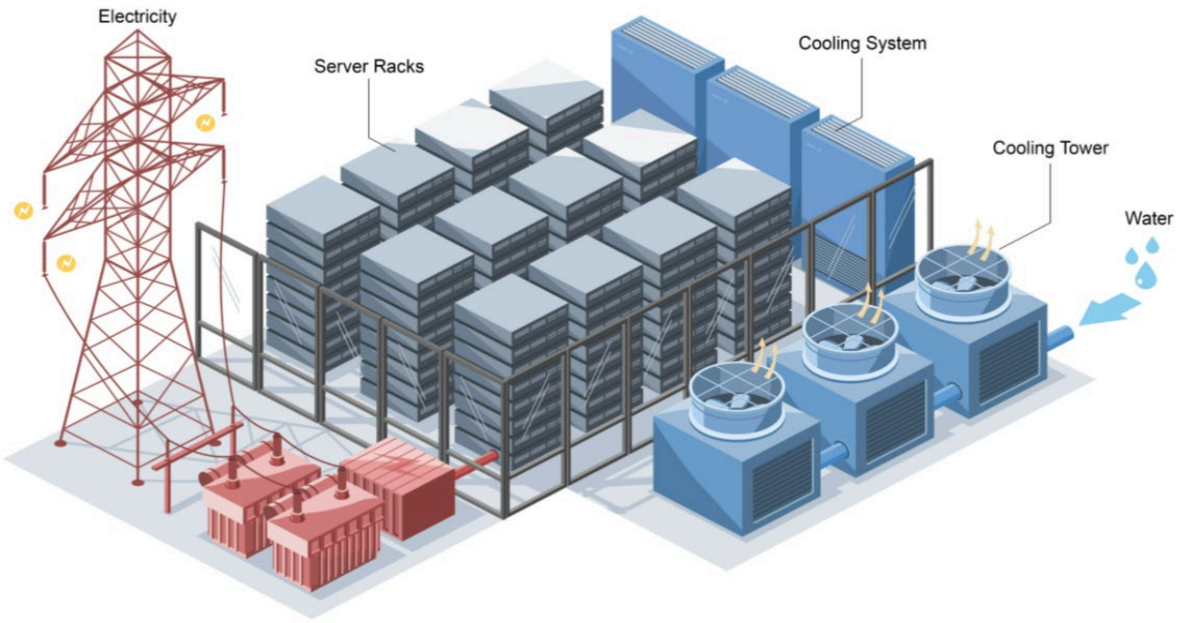
Source: William Blair Equity Research

Data Center Basics

For investors less familiar with data centers, we thought it would be useful to start with an overview of what they are, how they are structured, the main systems that enable them to operate, and the role they play in supporting digital connectivity, before delving into how the CRE service providers we cover are positioned to support this growing property type.

At the highest level, a data center is a large facility that houses the servers, storage, and networking systems that power digital services, such as streaming shows on Netflix, shopping on Amazon, or checking a bank account online. Think of a large warehouse, often more than 100,000 square feet (roughly the size of two American football fields), filled with long rows of racks that hold server and storage equipment. Around these racks are the systems that keep everything running, including power to keep the machines on, cooling to prevent overheating, network connections to move data in and out, and security to protect the sensitive information inside (see exhibit 3 and 4).

Exhibit 3
Data Center Layout



Sources: Adobe, adapted by William Blair Equity Research

Exhibit 4
Inside a Data Center

Sources: Google and William Blair Equity Research

Core Systems Inside a Data Center
The core systems of a data center can be grouped into three main categories:

1. ***IT Systems***

   – *Servers:* Equipment that runs applications and process user requests.

   – *Storage:* Infrastructure that holds and safeguards data such as files, databases, and backups.

   – *Networking equipment:* Switches, routers, and firewalls that move data within the facility and connect it to the internet.

   – *Interconnection:* Dedicated rooms where network providers, cloud platforms, and customers exchange traffic directly (for example, a trading firm interconnects with Bloomberg to access market data with minimal latency, which is essential for high-frequency trading).

2. ***Infrastructure Systems***

   – *Power supply:* Electricity flows in from the utility grid to power the data center. Power is also stored in batteries and supported by backup generators that take over during outages to keep everything online.

   – *Cooling systems:* Servers generate enormous amounts of heat, so chillers and fans are essential to reliably remove this heat from equipment to prevent it from overheating and shutting down.

3. ***Security Systems***

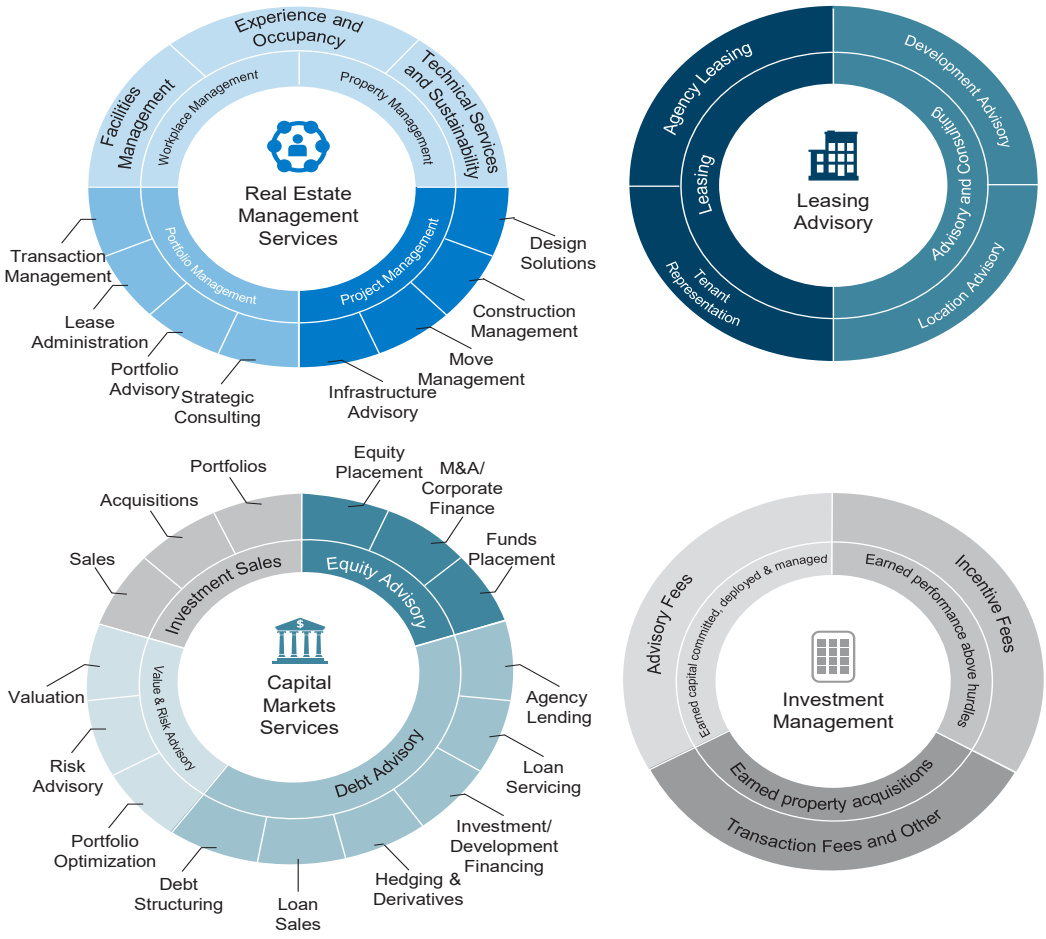
   – *Physical security:* On-site guards monitor entrances and patrol the facility; access points are controlled with locked doors, keycards, and biometric scanners; and surveillance cameras provide continuous oversight.

   – *Fire suppression:* Specialized systems (often gas-based rather than water) are installed to quickly extinguish fires without damaging equipment.

Background on Our CRE Services Coverage

For those less familiar with CRE services, the firms we cover in this industry provide a comprehensive global suite of services for the CRE end-markets, including advisory services (capital markets, tenant leasing representation, valuation, etc.), property management (supporting owners), facilities management and services (supporting tenants), project management, engineering and design solutions, and investment management. In exhibit 5, we provide JLL's segment- and business-line breakdown to highlight its comprehensive offering. Data centers represent a growing opportunity for the group, and following some consolidation in recent years, most of our covered firms have teams or groups dedicated to infrastructure services ranging from site selection, design, and commissioning to ongoing maintenance and technical support. This makes the CRE firms we cover increasingly strategic partners for hyperscalers, colocation providers, and enterprises to optimize their data center capacity.

Exhibit 5
Overview of Comprehensive CRE Services Suite



Sources: Jones Lang LaSalle and William Blair Equity Research

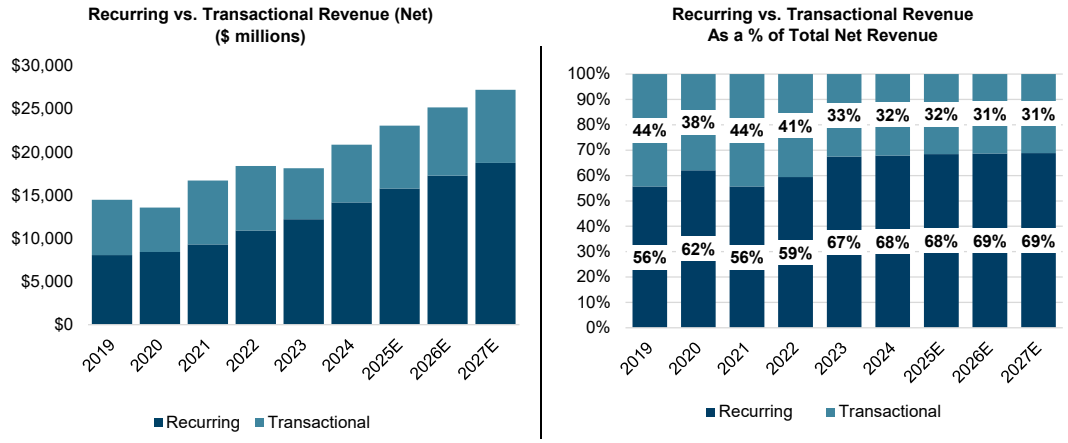
The complexity of AI-driven workloads requires uniquely specialized infrastructure solutions, creating revenue opportunities for CRE service providers with expertise delivering advanced electrical, mechanical, and security systems tailored to high-density environments. As data center operators scale to meet rising capacity needs, we expect CRE service providers to benefit from increased project volume and more long-term service contracts, which could be another factor supporting an increase in recurring/contractual revenue and profit for our coverage. As shown in exhibit 6, the mix of recurring/contractual revenue and profit for our coverage now ranges from 50% to 75% of total (this includes property/facility management, investment management, engineering, and other contractual business lines), and we believe the group was closer to one-third back in the global financial crisis (i.e., had much heavier transactional exposure); the data center opportunity should push this at least somewhat higher over time. For further context, we have included a breakout of CBRE's recurring versus transactional revenue over recent years in exhibit 7, showing a low-double-digit CAGR in recurring revenue lines from 2019 to 2024. We also see an opportunity to support transactional volumes around data centers, although the leasing opportunity would predominantly be for colocation data centers, and we believe it could be at least a few years before data center owners start to buy or sell properties more frequently, supporting capital markets volumes.

Exhibit 6
William Blair CRE Coverage
Revenue Exposure by Segment

	Capital Markets	Leasing	Property/Facility Management	Investment Management	Engineering, Project Mgmt, Other
CBRE	11%	19%	43%	3%	24%
JLL	25%	33%	32%	5%	5%
CIGI	16%	24%	11%	11%	39%
CWK	11%	30%	53%	N/A	7%
Average	**16%**	**26%**	**35%**	**6%**	**19%**

Note: Based on FY24 fee revenue
Source: Company documents and William Blair Equity Research

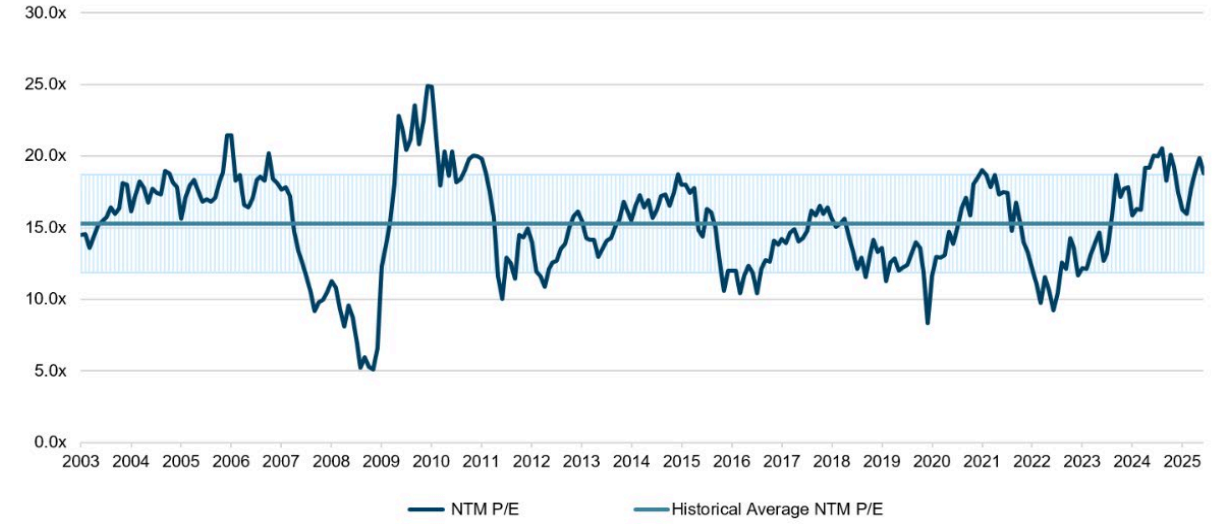
Exhibit 7



Source: CBRE and William Blair Equity Research

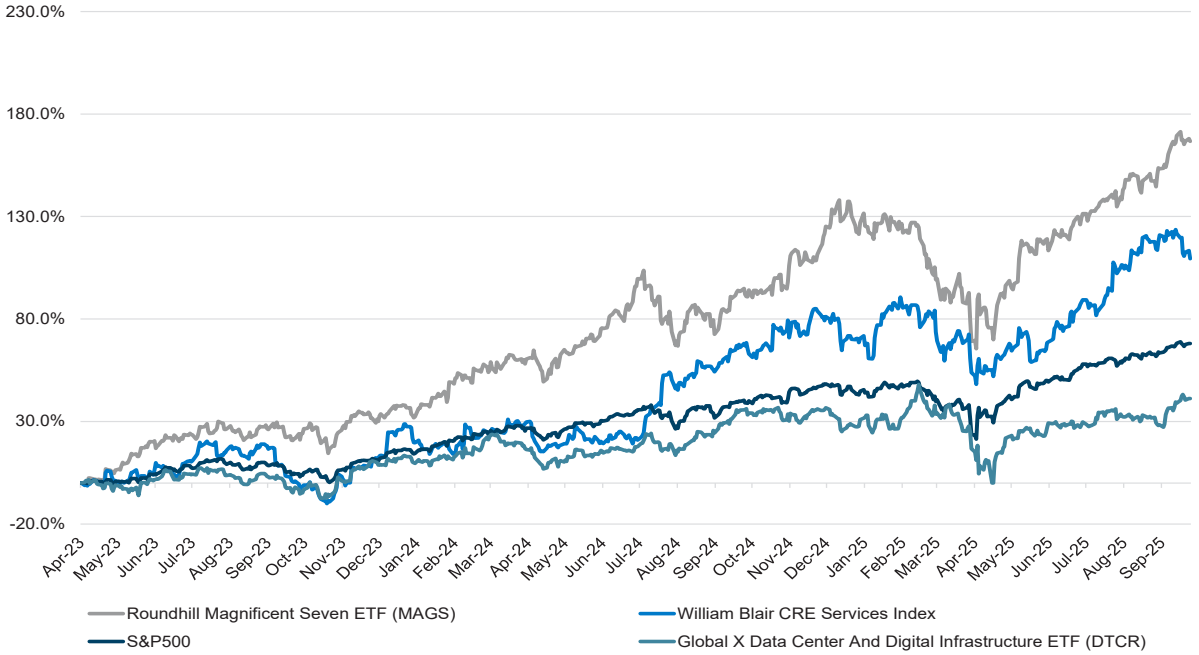
We are bullish on the opportunity our CRE services coverage (CBRE, JLL, Colliers, and Cushman & Wakefield) has related to data centers and believe it will be another factor supporting strong revenue and profit growth over the next 5-10 years. As we have discussed in prior research, we also believe the valuations for our coverage remain attractive. There are modest differences in business models and subsector exposure within our coverage, but on average the group trades at a forward price-to-earnings multiple of roughly 19 times (S&P 500 forward multiple currently at 25 times), which as shown in exhibit 8 is a few turns above an average in the group of 15 times over roughly the last two decades. In addition, as shown in exhibit 9, equity returns in our CRE services coverage have been very strong since early 2023 (although still lagging hyperscalers), and we believe our coverage will continue to show strong growth in recurring business lines (project management, property management, facility services, etc.), with more earnings power to come from recovering transactional activity (earnings likely to grow especially as capital markets activity picks up from subdued levels in recent years).

Exhibit 8
Commercial Real Estate Industry
Historical Next-12-Months' Price-to-Earnings Ratio



Note: Average CRE multiples reflect that of CBRE & JLL
Note: The blue shaded area represents 1 standard deviation above & below the historical price-to-earnings average.
Sources: FactSet and William Blair Equity Research

Exhibit 9
Equity Performance
The Magnificent 7, Data Center & Infrastructure Index, CRE Services Providers

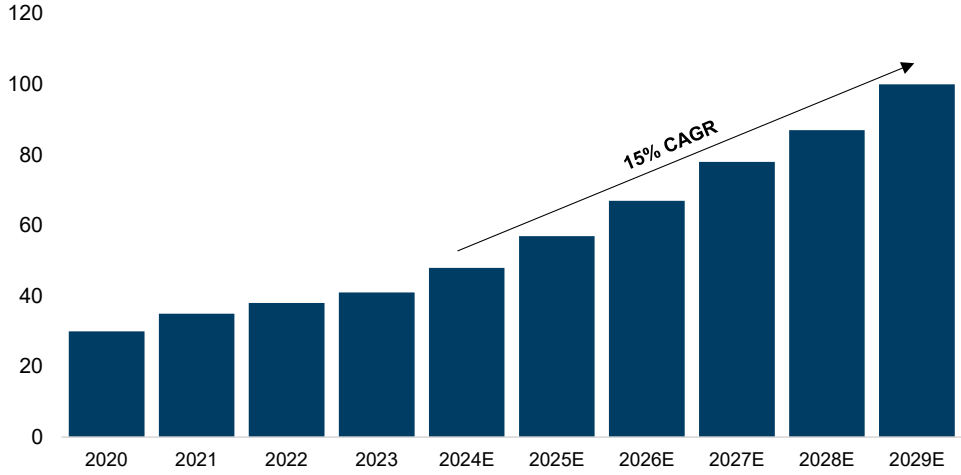


Note: Performance indicates total equity returns, indexed to respective closing prices on 4/10/2023
Note: William Blair CRE Services Index is a market-cap-weighted index of William Blair CRE Services coverage including CBRE, JLL, CIGI, and CWK
Source: Factset and William Blair Equity Research

Market Sizing

The next logical question becomes: **how large is this opportunity?** Given variance in rack density, the size (and growth) of the data center end-market has been framed in terms of power (rather than square footage), which is seen as the key input/resource supporting this technological revolution—and its availability the key constraint to growth. For context, global electricity demand grew by 4.3% in 2024 (a sharp increase from 2.5% in 2023), and the International Energy Agency (IEA) estimates that this demand will continue to grow by around 4% through 2027, supported by the electrification of homes (notably the proliferation of air conditioning), buildings, and transportation. Data center consumption has grown at more than four times that rate since 2017, and the IEA expects electricity consumption by data centers to grow at a compound annual rate of roughly 15% from 2024 through 2030. So, while data centers represent only around 1.5% of global electricity consumption today (roughly 415 terawatt-hours), the consumption of this end-market is expected to double to around 6% of total global power consumption by 2027, driven by demand for high-consumption advanced workloads. For more detail on energy consumption, supply, and other relevant ways to play these trends in public markets, see William Blair analyst Jed Dorsheimer's white paper, The Power Behind Artificial Intelligence.

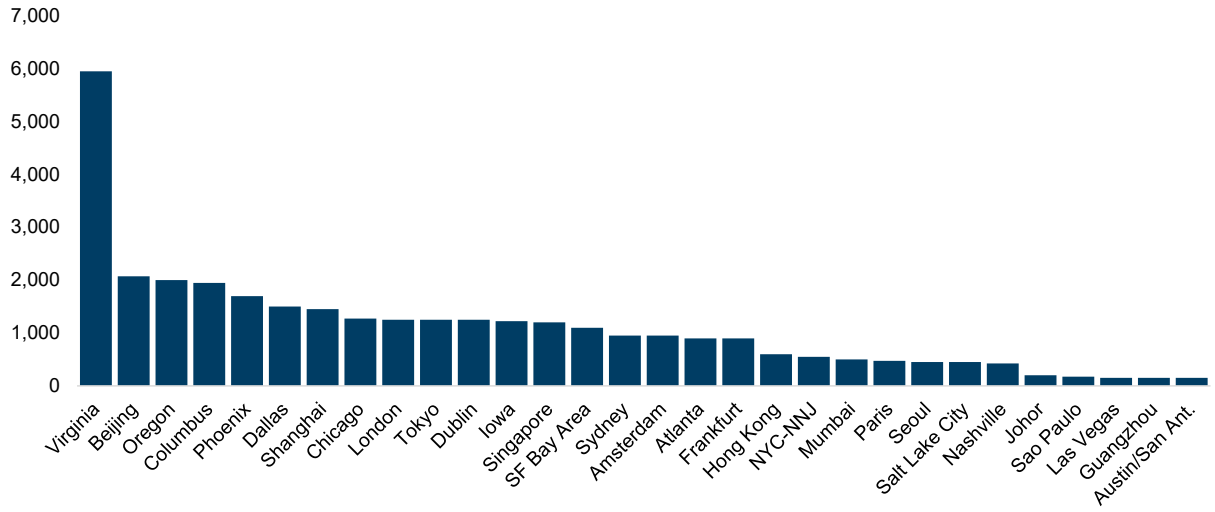
Exhibit 10
Global Data Center Energy Demand
Gigawatts (GW)



Source: IEA, JLL, and Structure Research

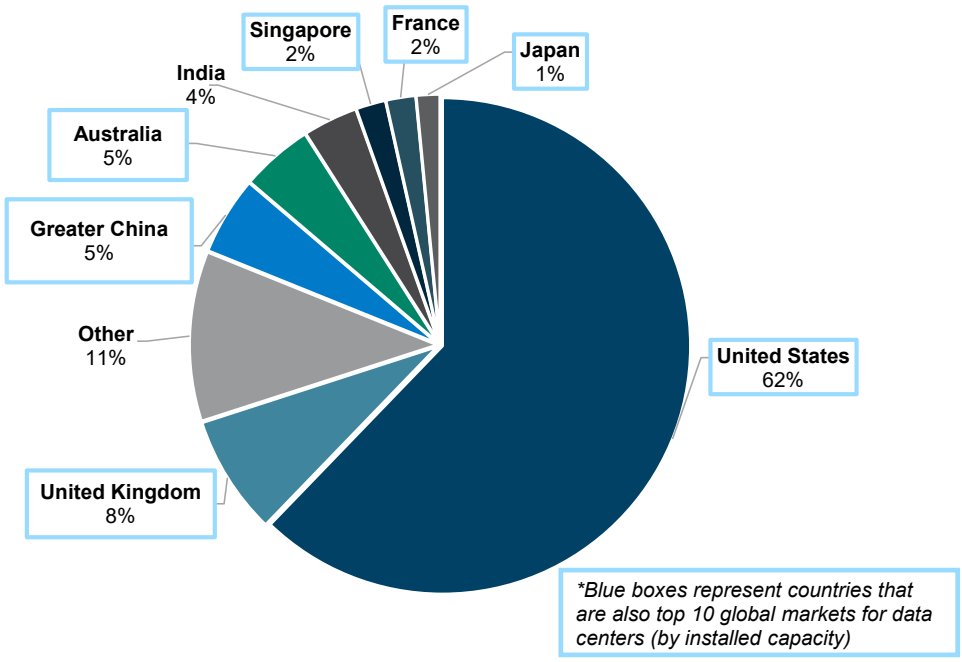
It is also worth noting that the geographic presence of our coverage group aligns well with areas of outsized data center capacity and development—in 2024, our CRE coverage generated just over 60% of revenue from the United States (where roughly 45% of data center capacity currently exists), with notable operations in the United Kingdom, China, Singapore, and Australia. Within this, the United States (currently 45% of data center power consumption) is expected to see the largest absolute growth, followed by China (25%) and Europe (15%). Further, within the U.S. we believe our coverage is well positioned to serve high-growth marquee markets like Virginia, Phoenix, Dallas, Atlanta, Chicago, and more (see exhibit 11). While geographic presence varies somewhat by CRE services provider, for illustrative purposes we have provided a breakout of Jones Lang LaSalle's 2024 revenue by significant geography in exhibit 12, highlighting (in blue) countries that represent top 10 global markets for data centers (by installed capacity).

Exhibit 11
Top Global Data Center Markets by Operational IT Load
Megawatts (MW)



Sources: Cushman & Wakefield, datacenterhawk, and DC Byte

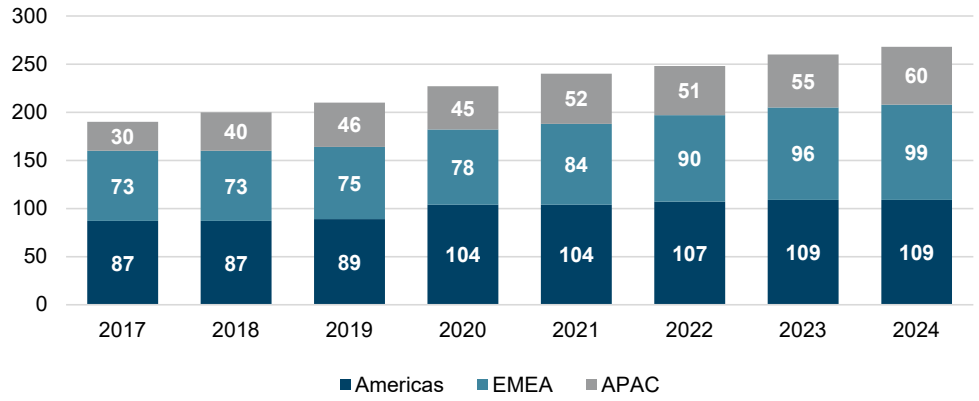
Exhibit 12
Jones Lang LaSalle
Revenue by Geography (2024)



Sources: Company documents (fiscal 2024), IEA, and William Blair Equity Research

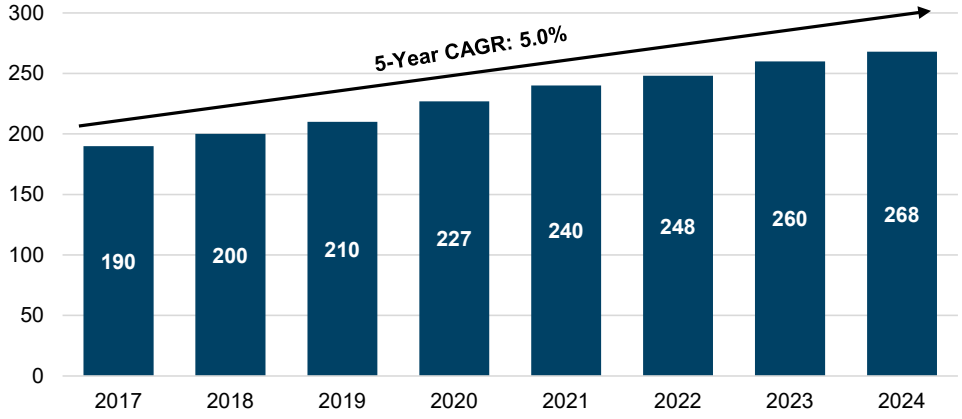
In addition, exhibits 13 and 14 show Equinix's data centers by region and globally, highlighting the company's broad geographic footprint as a global data center platform. For context, Equinix is considered one of the world's largest data center and colocation operators, managing nearly 34 million gross square feet of data center space across 76 markets and 36 countries.

Exhibit 13
Equinix, Inc.
Data Centers by Region



Sources: Equinix and William Blair Equity Research

Exhibit 14
Equinix, Inc.
Global Data Centers

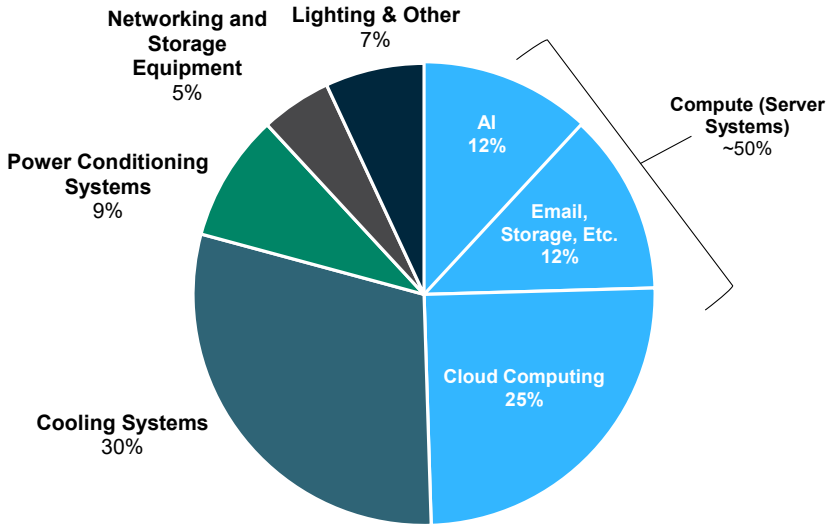


Sources: Equinix and William Blair Equity Research

As illustrated in the pie chart below (exhibit 15), this power capacity is distributed across a number of primary consumption components (notably compute power and cooling systems)—all of which require a substantial amount of technical oversight and ongoing maintenance. Further, within the computing component (the light blue segments in exhibit 15), Goldman Sachs has estimated that just over half is dedicated to cloud computing workloads, one-third to traditional workloads for typical business functions (email, storage, etc.), and only a midteens percentage currently to support AI (although this portion of the mix is growing rapidly). By 2030 estimates from Goldman Sachs and McKinsey suggest that AI-related workloads could drive anywhere from 30% and 70% of compute consumption (relative to an estimated 14% today). That said, this outlook has been fluid and subject to rapid developments in technology, such as the January 2025 release of DeepSeek's R1 model. While this model was seen as a breakthrough in AI-compute efficiency, leading many to question the outlook for AI-related electricity and chip demand, the market largely seems to have adopted the viewpoint that reduced per-model compute costs should actually increase total demand for compute as AI becomes less expensive and more widely used (i.e., Jevons

paradox or "the rebound effect"). In addition, we have not seen any change in recent rhetoric from hyperscaler management teams, with hundreds of billions of dollars of AI-related capital expenditures planned for 2025 ($100 million from Amazon, $80 billion from Microsoft, $75 billion from Alphabet, over $60 billion from Meta, etc.). Blackstone has estimated that there will be up to $2 trillion in generative AI investment in the sector over the next five years, with half of that spending concentrated in the U.S. That said, all signs point to this market becoming much, much larger in the coming years.

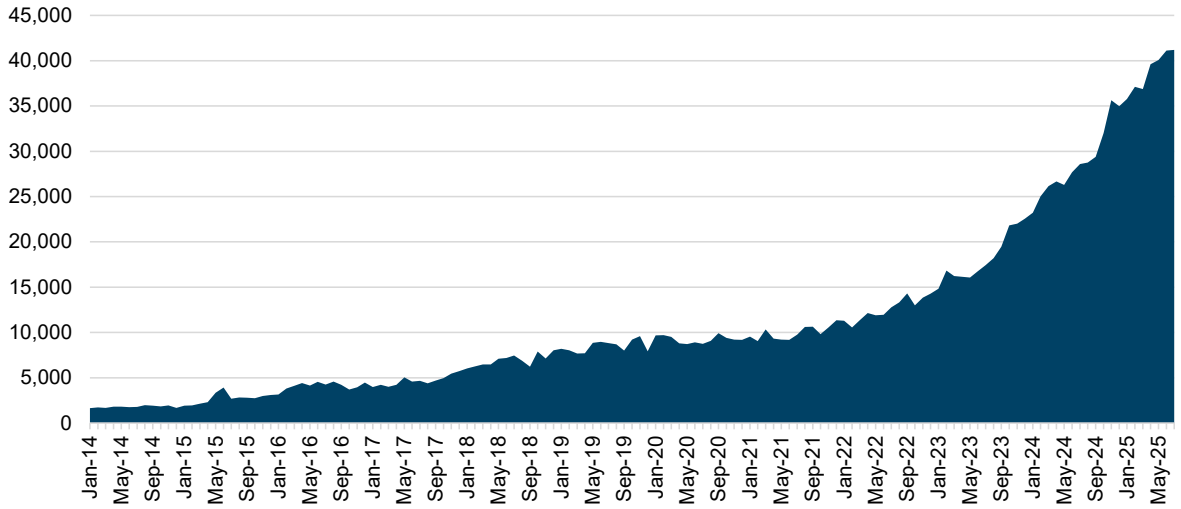
Exhibit 15
Typical Data Center Power Consumption by Component



Sources: IEA, Deloitte, Goldman Sachs, and William Blair Equity Research

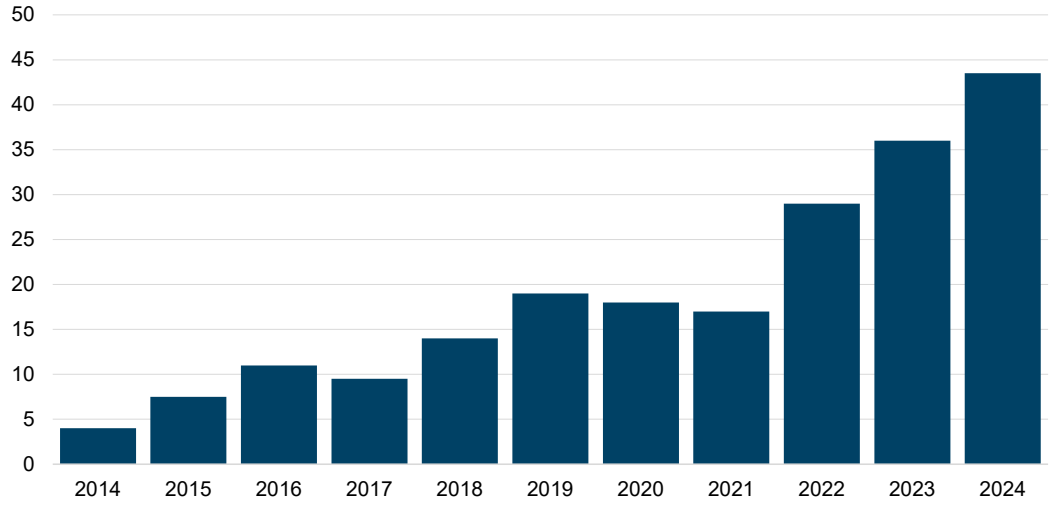
Still, it is early in the maturity curve for this asset class, and much of the capital flowing into it is for shovel-ready investments. A very limited number of operational data centers trade each year, with an average investment sales volume of only $7 billion annually from 2020 to 2024 (as compared to $241 billion for office assets over the same period), according to JLL. However, we have seen a notable pickup in capital deployment since the launch of ChatGPT, with annual data center construction spending reaching a record $41 billion in July 2025 (nearly double the pipeline in November 2022 when ChatGPT was initially launched), and a development pipeline that reached nearly 45 million square feet at the end of 2024 (see exhibits 16 and 17) according to CoStar data. In 2025 alone, JLL has estimated that 7 GW of capacity will reach completion, with another 10 GW of capacity expected to break ground—JLL has estimated that this equates to roughly $170 billion in asset value that will need to secure either development or permanent financing (which would represent a sizable opportunity for the capital markets group under our coverage). Furthermore, there is no lack of demand for this supply coming online, with net absorption outpacing global new supply by an average of roughly 50% from 2020 to 2023, and vacancy rates for U.S. colocation facilities declining from 9.8% in 2020 to 2.3% ending 2024 (see exhibit 18).

Exhibit 16
U.S. Private Data Center Construction Spending (SAAR)
($ millions)



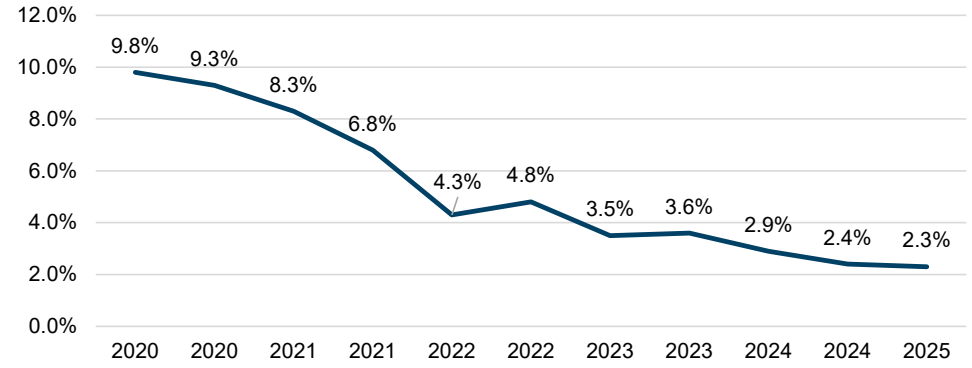
Source: U.S. Census Bureau

Exhibit 17
U.S. Data Center Development Pipeline
Thousands of Square Feet (MSF)



Sources: Newmark Research, CoStar

Exhibit 18
Vacancy Rates – North American Colocation



Source: JLL Research (2025)

The Opportunity for Our CRE Services Providers

Now, to the main point—what does this opportunity look like for the CRE service providers? To frame things at a high level, data centers are typically categorized across three classes, with varying degrees of complexity and propensity to outsource services. We have provided a brief description of each data center "type" below, with a diagram charting their characteristics from CBRE's standpoint in exhibit 19.

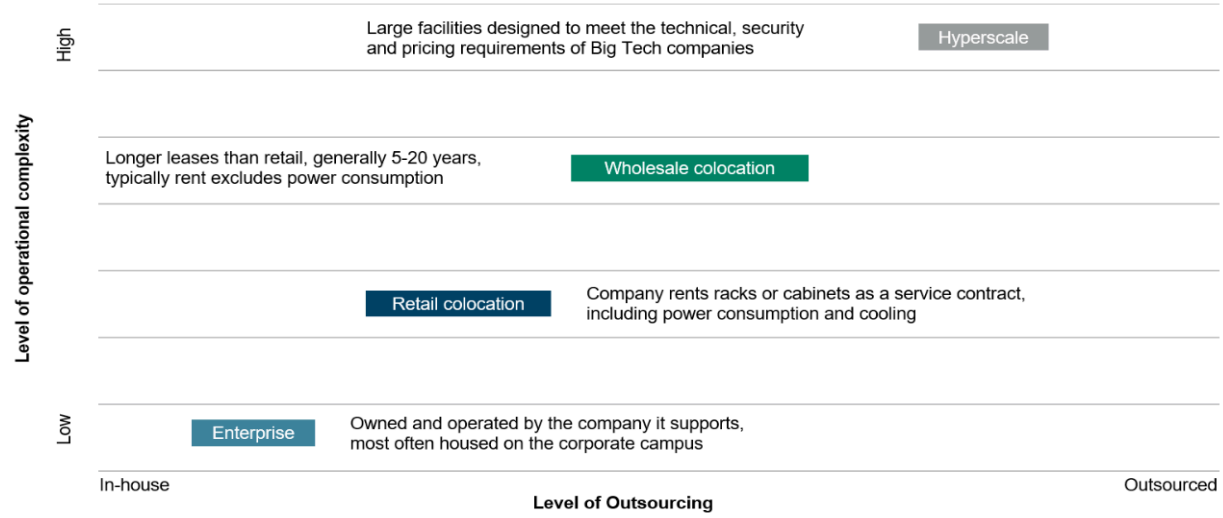
1. **Enterprise:** Data centers owned and operated by the companies they support (IBM, JPMorgan Chase, UnitedHealth, Walmart, etc.), usually to retain control over mission-critical workloads, meet compliance/regulatory needs, or optimize costs. These facilities are usually housed on a corporate campus, with relatively low levels of operational complexity, and a lower tendency to outsource. The IEA estimates that enterprise data centers represent roughly 28% of data center capacity today.

2. **Colocation:** Data centers shared by multiple tenants (or MTDCs), where tenants rent racks or cabinets through a service contract with large operators like Equinix or Digital Realty. Colocation contracts can either follow a retail model (where rent includes power consumption and cooling) or a wholesale model (where rent excludes power consumption, and leases are longer, typically ranging from 5 to 20 years). Colocation server racks typically draw power of between 10 and 20 kilowatts (kW) and are typically air-cooled. These operations are more complex than enterprise data centers, with a higher propensity to outsource management. Contributing to this complexity, colocation tenants sometimes have direct physical interconnections, such as trading firms connecting their servers directly to Bloomberg servers to reduce latency. The IEA estimates that colocation data centers represent roughly 36% of data center capacity today.

3. **Hyperscale:** Cutting-edge, high-capacity data centers designed to meet the significantly higher technical and security requirements of the largest technology companies (Amazon, Google, Microsoft, etc.), as well as their pricing demands. Hyperscale server racks can draw power of anywhere from 20 kW to 100 kW, requiring cutting-edge (often liquid immersion) cooling

systems. These facilities are highly complex operations and the most prone to outsourcing management services. The IEA estimates that hyperscale data centers represent roughly 37% of data center capacity today (up dramatically from only 10% in 2010).

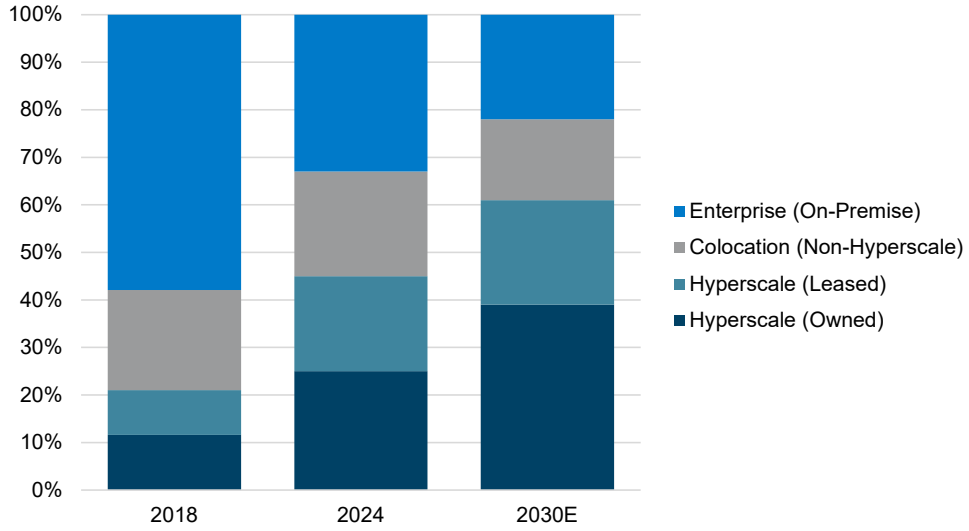
Exhibit 19
Data Center Complexity Relative to Outsourcing Propensity



Sources: CBRE, William Blair Equity Research

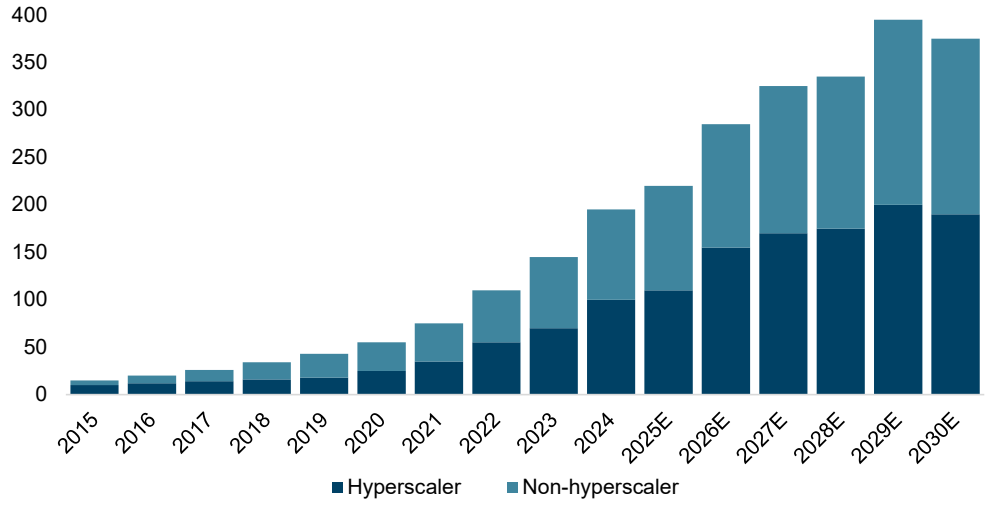
In short, the more complex the operation, the more labor a facility typically needs, and the more prone the owner/operator is to outsourcing critical infrastructure services. This is where CRE service providers can step in with a comprehensive suite of property and facility management service, which could include: systems monitoring for power and cooling, equipment maintenance (electrical, HVAC, and backup systems), tenant/colocation management, and security and access control, among other services. On the bright side, hyperscalers (the most complex type of data centers) continue to grow as a portion of total global data center capacity, with Synergy Research estimating that hyperscalers will account for more than 60% of global capacity by 2030 (up from less than 40% today; see exhibits 20 and 21 for context). While some of the largest hyperscalers (AWS, Microsoft, and Google, which account for nearly two-thirds of current hyperscale compute capacity) have been internally managing various data center operations, we believe a large and growing opportunity remains for skilled outsourced service providers in this market segment (especially in the case of labor constraints, geographic considerations, etc.).

Exhibit 20
Share of Worldwide Critical IT Load
(Megawatts)



Source: Synergy Research

Exhibit 21
Estimated Server Capex by Actor
($ billions)



Source: IEA 2025

Coverage Considerations

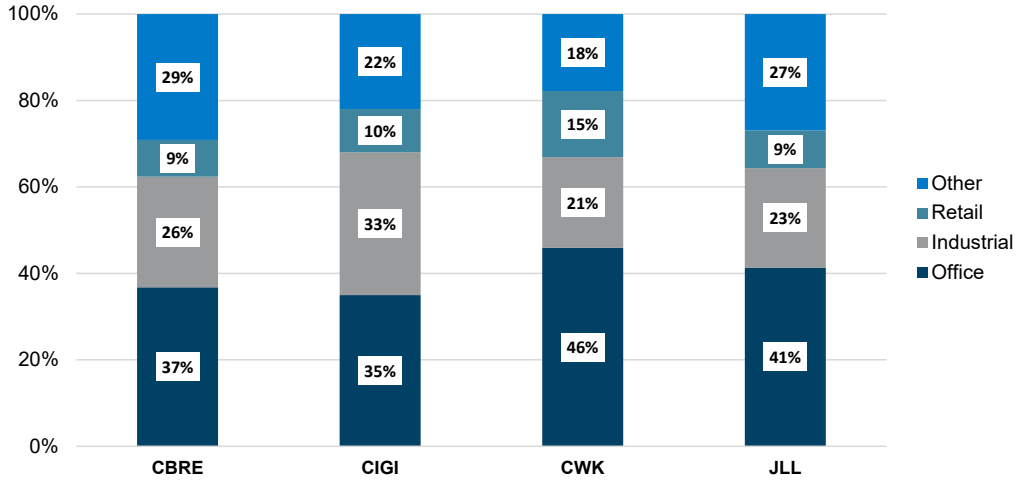
We believe that property and facility management services are the most immediately addressable data center opportunities for our CRE services coverage, and these solutions represented on average 35% of net fee revenue in 2024 across subsectors (as shown again in exhibit 22). That said, we have also seen some of our covered companies complete sizable leasing transactions within data centers (as noted earlier, these are often priced on power capacity instead of per square foot), and they are also increasingly providing solutions on the front end of data center development, including site selection, design, and commissioning. Ultimately, data centers remain an emerging asset class in real estate, and while there are limited data center assets being traded currently (with the exception of land that could be ideal for data center development), over the coming years this will undoubtedly become a more liquid asset class with more capital markets activity. **In the following sections, we dig deeper into the current capabilities and data points around data centers for our CRE services coverage.**

Exhibit 22
William Blair CRE Coverage
Revenue Exposure by Segment

	Capital Markets	Leasing	Property/Facility Management	Investment Management	Engineering, Project Mgmt, Other
CBRE	11%	19%	43%	3%	24%
JLL	25%	33%	32%	5%	5%
CIGI	16%	24%	11%	11%	39%
CWK	11%	30%	53%	N/A	7%
Average	**16%**	**26%**	**35%**	**6%**	**19%**

Note: Based on FY24 fee revenue
Sources: Company documents and William Blair Equity Research

Exhibit 23
William Blair CRE Coverage
Percentage of Brokerage Revenue by Property Type



Note: Estimated based on 2023 disclosures for CBRE & CWK, and 2024 for CIGI & JLL
Note: Other property types include multifamily, life sciences, hotels, mixed-use, and more
Sources: Company documents and William Blair Equity Research

CBRE

CBRE is by far the largest and most comprehensive global CRE services firm in the industry and seems exceptionally well positioned to monetize the data center boom, making it **arguably the best situated across our coverage.** As a reminder, monetization related to data centers represented 10% of CBRE's core EBITDA in 2024, which is up from 3% in 2021 (implies a mid-40% CAGR, although some of that is inorganic), with data center profit increasing 2.5-fold over that time. We provide some context on its expanding capabilities and monetization below.

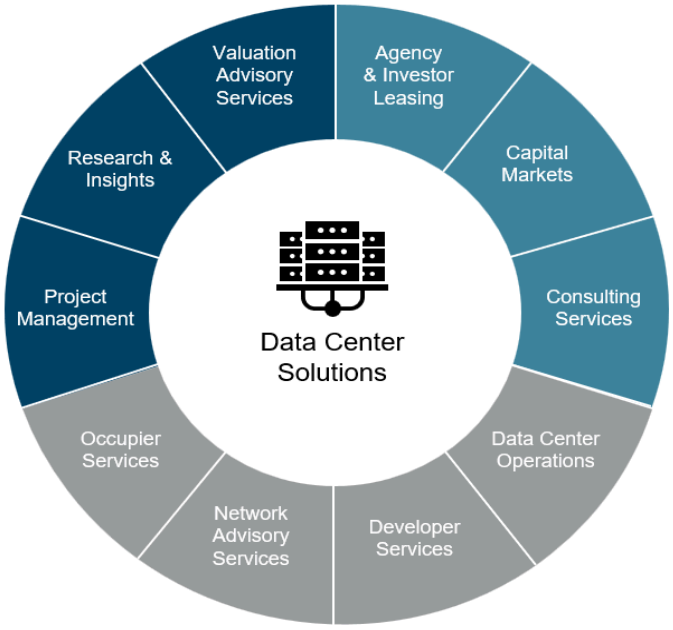
- CBRE not only provides services for data centers but is also **investing directly into relevant assets (especially land) through its development business Trammell Crow,** which is unique in our CRE services coverage and contributes to its outsized profitability contribution relative to the group. CBRE has been using its balance sheet to co-invest with development partners in the procurement of land that could be ideal locations for data center development in the coming years, with proximity to energy, water, and existing infrastructure being some of the main considerations. While CBRE has not provided much quantification of the return profile from these investments when monetized (it called out a boost to profit in fourth quarter 2024 from harvesting gains), we sense they have been highly attractive and expect more gains to come (management is also expecting to harvest more data center investment gains in the fourth quarter of 2025).

- In June 2024, **CBRE acquired Direct Line Global** (see our note for more detail), which provides specialized design, installation, maintenance, and management services for data center owners/operators. This acquisition enhanced CBRE's existing capabilities in this market (which were mostly focused on facilities management), with a more technical service offering. At the time of the acquisition, Direct Line had over 1,200 skilled technicians across the U.S., APAC, and Europe. It has demonstrated success in the deployment of next-generation data center infrastructure across the data center lifecycle—design and planning, installation and build, day 2 maintenance, and technology upgrades and retrofits, including delivering the latest wave of AI/ML platforms. We believe the Direct Line acquisition significantly expanded CBRE's ability to provide more comprehensive solutions for property and facilities management (it currently manages 700-800 data centers in over 50 countries), which management has estimated as a $30 billion TAM in these services now that it owns Direct Line.

- CBRE also provides significant **project management** work for data centers, with management noting that Turner & Townsend has completed over 500 data center projects over the last decade (with another 150 currently in process), including many on behalf of hyperscalers. In addition, Turner & Townsend's revenue from data centers has grown 50% annually from 2022 to 2024.

- During a September 2025 investor meeting we hosted, CBRE's management team highlighted that the majority of its current data center revenue comes from hyperscaler clients (although it also works with a number of colocation providers), supported by some key hyperscaler relationships at Turner & Townsend and Direct Line.

Exhibit 24
CBRE, Inc.
Overview of Services Suite for Data Centers



Source: CBRE and William Blair Equity Research

Jones Lang LaSalle

As highlighted previously in exhibit 5, JLL has a robust service offering across CRE services and subsectors, and it is seeing data center monetization expand quickly. JLL has relatively comparable capabilities concerning data centers to CBRE (although it does not have a development arm), after it significantly expanded its technical data center expertise with the acquisition of SKAE in May 2024. Management has said that data center monetization is currently a small percentage of overall revenue (we would estimate low to midsingle digits), but it expects outsized growth to continue making data centers a bigger part of the mix over time. We provide some more context on JLL's capabilities below.

- SKAE provides technical services for data centers including project planning and engineering, infrastructure installation, testing, and facilities maintenance. SKAE also enhances JLL's ability to support clients with data center site selection, design, testing and commissioning, upgrades, and operations.

- At the end of 2024 JLL provided property management services to roughly 5.3 billion square feet of real estate, of which roughly 10% (or 530 million square feet) were data centers or other critical infrastructure environments (labs, operating rooms, etc.)—we believe roughly half of this managed space (or around 250 million square feet) is for pure-play data center assets. The company now actively manages over 250 data centers, and to date it has completed colocation transactions representing roughly 3 GW of capacity.

- Over time, we expect the data center asset class to become increasingly liquid as projects reach completion and developers look to exit and/or refinance assets, which should represent a sizable opportunity for JLL across both capital markets and leasing (especially for colocation providers).

Colliers

We believe Colliers is also seeing strong growth with data centers and has opportunities in its engineering business (likely about 1% of segment revenue is generated from data centers or related activities currently, but likely to grow), brokerage businesses (low-single-digit percentage of revenue, also growing quickly), and investment management segment. However, Colliers does not offer sizable facilities services across sectors, and we do not believe it has much in terms of data center capabilities in the property/facilities management business. **We believe Colliers's most notable data center exposure currently is in investment management.** For context, Colliers has roughly $100 billion in assets under management across a handful of specialized real estate investment funds, and we believe close to 10% (or about $10 billion) are invested in data centers, especially at Harrison Street, which has continued to raise capital. In January 2025, Harrison Street raised roughly $600 million in capital commitments for its first dedicated digital asset platform, the HS Digital Fund, which will be focused primarily on new developments of data centers in the U.S. In addition, Harrison Street's ninth U.S. opportunistic fund, which closed on $2.5 billion in commitments in October 2024, will be allocated entirely to "alternative sectors" including student housing, senior housing, and data centers. That said, Harrison Street is not new to the sector, having committed more than $5.6 billion to powered shells, carrier hotels, colocation sites, and other data center and dark fiber assets since 2018. Those investments now combine for over 6.5 million square feet and 2.1 GW of capacity.

Cushman & Wakefield

With a sizable property/facilities management business (which generated over half of the company's total revenue in 2024), Cushman also stands to benefit from growing demand in this end-market. **We currently estimate that data center monetization reflects about 3% of Cushman's total revenue, and it has seen accelerating growth within the subsector.** Cushman has also built out a dedicated data center advisory group over the last few years, which provides services including site selection, representation in transactional negotiations, portfolio valuation, and acquisitions and dispositions. In 2023, Cushman reported closing data center transactions valued at more than $320 million, involving more than 345 megawatts of load capacity. Cushman has also communicated a clear focus on this asset class within fast-growing emerging markets, including India and Vietnam.

Bottom Line and Stock Thoughts

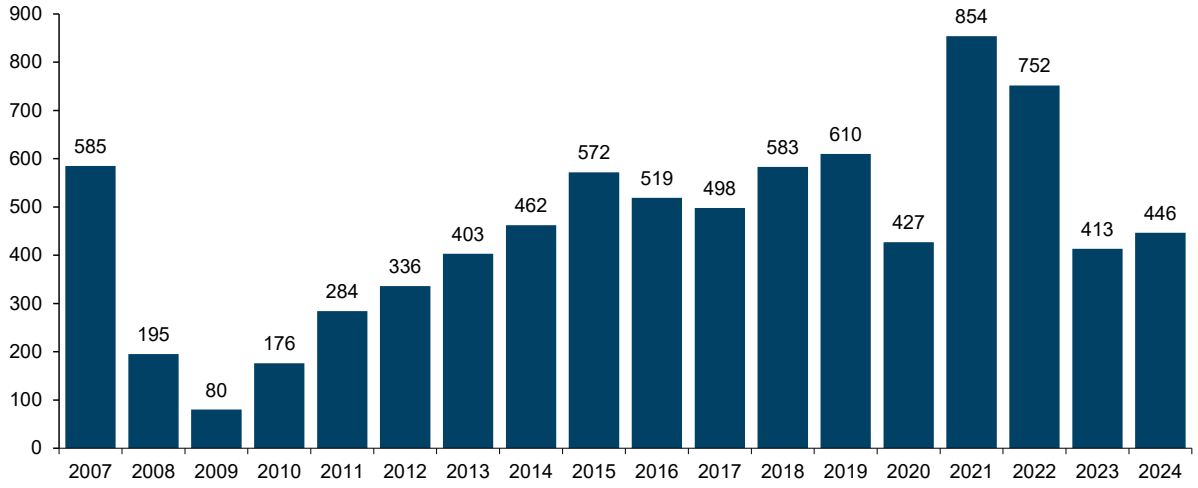
We believe that the CRE service firms we cover continue to benefit from a number of secular tailwinds in the CRE space, including consolidation in highly fragmented end-markets, the institutionalization of real estate (higher turnover and propensity to outsource services), rising asset allocations to real estate, and broadly increased urbanization. We believe the proliferation of AI and consequential growth of data centers adds yet another growth vector for these companies and is likely to become a bigger part of our coverage's overall revenue and profit mix. The data center opportunity includes both transactional components and recurring/contractual components, but we still believe the overall growth in this ecosystem could be another factor that supports more of an upward trajectory for the recurring/contractual mix. We continue to see a positive setup for our CRE services coverage, currently trading at an average of 19 times forward adjusted EPS (including an add-back for stock-based comp), which compares with 25 times for the S&P 500 and 36 times for the Magnificent 7.

Exhibit 25
CRE Services—Comparable Company Valuations
Overview of Services Suite for Data Centers

CRE Comp Group			Equity Market Data 52-week		YTD	Mkt Cap	Net Debt	EV	William Blair	Adjusted P/E Calendar			EV/EBITDA Calendar	
	Ticker	Price	Low	High	Return	($ billion)	($ billion)	($ billion)	Rating	NTM	2025	2026	2025	2026
CBRE Group, Inc. Class A	CBRE	$159.88	$108	$168	22%	$48.3	$5.1	$53.4	Outperform	24.9x	24.6x	21.0x	16.0x	14.2x
Colliers International Group Inc.	CIGI	$159.02	$101	$171	17%	$8.3	$2.7	$11.0	Outperform	22.8x	23.8x	20.5x	14.8x	13.2x
Cushman & Wakefield	CWK	$16.14	$8	$17	23%	$3.9	$2.4	$6.2	Outperform	11.1x	11.9x	9.8x	9.0x	8.1x
Jones Lang LaSalle Incorporated	JLL	$306.34	$194	$322	21%	$14.9	$1.6	$16.5	Outperform	16.4x	17.1x	15.0x	11.3x	10.0x
Coverage Average					**21%**					**18.8x**	**19.3x**	**16.6x**	**12.8x**	**11.4x**
Walker & Dunlop, Inc.	WD	$82.70	$64	$118	-15%	$2.9	$1.7	$4.6	Not Covered	19.3x	23.1x	18.1x	14.3x	13.5x
Newmark Group, Inc. Class A	NMRK	$18.60	$10	$20	45%	$4.8	$2.5	$7.2	Not Covered	11.2x	11.9x	10.2x	13.2x	11.3x
Comp Group Median					**21%**					**17.8x**	**20.1x**	**16.5x**	**13.7x**	**12.2x**
Comp Group Average					**19%**					**17.6x**	**18.7x**	**15.8x**	**13.1x**	**11.7x**

Sources: FactSet and William Blair Equity Research

Exhibit 26
Commercial Real Estate Industry
U.S. Investment Sales Volumes
($ billions)



Sources: MSCI Real Assets, CBRE (2024), and William Blair Equity Research

Appendix

Exhibit 27
Additional Relevant Companies Supporting the Data Center Buildout

Company	Primary Focus
Alcatex, Inc.	Design/Engineering
Black & Veatch	Design/Engineering
Burns & McDonnell	Design/Engineering
Clayco	Design/Engineering
CMTA	Design/Engineering
EYP	Design/Engineering
Jacobs	Design/Engineering
Morrison Hershfield	Design/Engineering
M.C. Dean	Design/Engineering
P2S	Design/Engineering
Ramboll (EYP Mission Critical Facilities)	Design/Engineering
SC Engineers	Design/Engineering
Syska Hennessy	Design/Engineering
DPR Construction	Construction
HITT Contracting	Construction
Holder Construction	Construction
Turner Construction	Construction
A.O. Reed & Co	Mechanical & Electrical Systems
Bel Aire Mechanical	Mechanical & Electrical Systems
Cupertino	Mechanical & Electrical Systems
Faith Technologies	Mechanical & Electrical Systems
Rosendin Electric	Mechanical & Electrical Systems
Southland Industries (Brandt)	Mechanical & Electrical Systems
STULZ	Cooling & Infrastructure
Munters	Cooling & Infrastructure
Pye-Barker Fire & Safety	Fire Suppression
ORR Protection	Fire Suppression
Marioff	Fire Suppression
CCG Technologies	Commissioning
Data Center Decommissioning LLC	Decommissioning
Synetic	Decommissioning

Source: William Blair Equity Research

The prices (10/20) of the common stock of other public companies mentioned in this report follow:

Alphabet (Outperform)	$257.02
Amazon (Outperform)	$216.48
Digital Realty	$172.92
Equinix	$825.14
Meta (Outperform)	$732.17
Microsoft (Outperform)	$516.79
Netflix (Outperform)	$1,238.56

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DOW JONES: 46706.60
S&P 500: 6735.13
NASDAQ: 22990.50

Additional information is available upon request.

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Market Perform (Hold)	27	Market Perform (Hold)	3
Underperform (Sell)	1	Underperform (Sell)	0

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