

How AI and Data Centres are Reshaping Real Asset Investing in the UK



[Gordon Shaw](#)

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There's no shortage of opinions on where infrastructure capital should go next: roads, broadband, housing or health care, to name a few. But one category is now moving from the sidelines to centre stage: data centres and digital infrastructure.

Data centres lie at the heart of the AI revolution and have evolved into vast, power-intensive facilities. As AI adoption grows, demand for data centres is surging, with operators racing to expand capacity across the UK and Europe.

In London and across the FLAP-D region (Frankfurt, London, Amsterdam, Paris, Dublin), demand for data centre space is intensifying amid growing pressure on power, planning and environmental resources. The UK is no exception: According to [National Energy System Operator forecasts](#), data centres are projected to account for nearly 6 % of the country's total electricity consumption by 2030, up from around 2–3% today. This sharp increase in demand is driven largely by AI-ready facilities that require high-density computing, power and cooling.

The Investment Case for AI Data Centres

Data centres are no longer a niche IT asset class, they've become a strategic infrastructure priority for the UK. As AI and digital services move to the core of national economies, the need for robust, high-performance data infrastructure is only increasing.

For institutional investors, this opens two paths. First, data centres offer the potential for infrastructure-style returns with strong income visibility, underpinned by long-term leases and blue-chip tenants. Second, AI-driven demand is reshaping the traditional data centre model, blurring the lines between real estate, energy and technology. This convergence requires a new kind of real asset fund.

Environmental concerns extend beyond power. Modern AI-ready data centres generate significant heat and increasingly rely on water-cooled systems to maintain GPU performance. While the UK isn't yet experiencing water shortages on the scale seen in other regions, policymakers are already examining the impact of large-scale coolant systems, especially during summer drawdown periods. This scrutiny adds another layer of complexity to the regulatory oversight of these assets.

These vehicles must combine property fundamentals—land acquisition, lease structures, energy connections—with operational complexity: managing SPVs, cross-border regulation, ESG disclosures and even direct coordination with utilities.

That's where fund administration becomes important. Data centre funds, particularly those focused on AI infrastructure, are complex. They're often multi-jurisdictional, involve real asset SPVs with widely differing characteristics, joint ventures and must reconcile financial data with operational and environmental performance. Investors and fund managers want detailed, transparent management information and reporting; not only on occupancy, rent rolls and individual asset performance analysis, but on energy use, uptime, ESG metrics and even water consumption.

As the UK seeks to balance digital growth with grid capacity and environmental stewardship, AI data centres are emerging as one of the most complex, but high-potential real asset categories. Navigating this space requires deep operational and administrative expertise.

Operating Complexities of Data Centre Funds

[Gordon Shaw](#), Managing Director for UK Alternative Funds at Waystone, shares his insights on the industry and how effective administration of data centre funds is a key part in overcoming operating complexities:

"Data centres are fast becoming the backbone of modern infrastructure. What was once a specialist asset class is now central to how economies function and how digital innovation scales," says Gordon Shaw. "But that growth comes with a sharp rise in complexity. From land and planning constraints to ESG reporting and cross-border structuring, fund managers need specialist expertise encompassing the entire capital stack, both financial and operational."

He continues, *"If you've invested in logistics or energy infrastructure, you'll recognise some familiar challenges: power availability, grid connection and environmental regulation to name a few. But with data centres, especially those built for AI, the pace, scrutiny and technical demands are even higher. It's a sector where operational readiness can make or break a fund."*

That's where expert administration makes a difference. *"At Waystone, we work with fund managers to address this complexity at scale. From timely reporting across complex fund structures and managing SPVs to integrating ESG and individually tailored performance data into management and investor reports, we provide full-spectrum support."*

He concludes, *"For fund managers entering this space, the challenge is significant, but so is the opportunity. With the right operational foundations, data centre funds can deliver long-term value, stable income and strategic exposure to one of the fastest-growing asset classes in the UK and globally."*

Find Out More

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