# BlackRock commits £500m to upgrade UK data centres



BlackRock has unveiled a £500 million programme to develop and modernise UK data centres, underscoring the sector’s growing strategic importance as demand for AI, cloud services and digital operations accelerates. The investment will be delivered through Gravity Edge, a new joint venture with Digital Gravity Partners (DGP).

The venture will acquire, refurbish and expand enterprise-grade facilities—particularly in regions where power constraints have become a major obstacle. The strategy focuses on existing sites with underutilised capacity rather than hyperscale builds, aiming to boost compute power for UK businesses.

The programme launched with the purchase of a west London facility worth more than £100 million, already serving a financial services tenant and due for extensive upgrades. Gravity Edge plans to enhance energy efficiency, increase rack density and unlock additional sellable capacity.

“By combining BlackRock’s global scale and capital access with DGP’s sector expertise, we want Gravity Edge to become the preferred partner for mission-critical infrastructure close to major urban centres,” said Thor Johnsen, managing partner at DGP.

Facilities in the 5–20MW range will be targeted, offering advanced cooling, resilient power and high-speed connectivity for enterprise clients.

The initiative comes amid a wave of investment in UK digital infrastructure. Segro and Pure Data Centres are developing a £1 billion hyperscale site in west London, while Blackstone has approval for a £10 billion development in the North East. Unlike these projects, BlackRock’s focus remains enterprise data centres, where demand is expected to remain strong.

The announcement coincided with a US presidential state visit to the UK, highlighting the role of transatlantic investment partnerships in accelerating Britain’s digital growth.

BlackRock’s real estate arm manages $25 billion globally, and the Gravity Edge platform adds a strategic UK foothold. The firm is also expanding its broader technology footprint, recently agreeing to acquire UK data group Preqin for £2.55 billion to complement its Aladdin investment platform.

By prioritising upgrades to existing facilities in power-constrained markets, BlackRock’s programme aims to meet rising AI-driven demand while improving energy efficiency. The £500 million commitment marks another step towards the UK’s ambition to become a global hub for AI and digital infrastructure.

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## Bibliography

1. <https://www.propertywire.com/news/blackrock-commits-500-million-to-data-centres/> - Please view link - unable to able to access data
2. <https://www.reuters.com/world/uk/blackrock-invest-678-million-uk-data-centres-during-trump-visit-sky-news-reports-2025-09-13/> - BlackRock plans to invest £500 million ($678 million) in UK data centre infrastructure as part of a new joint venture with Digital Gravity Partners, according to a report by Sky News. This investment is one of several deals expected to be announced during U.S. President Donald Trump’s upcoming state visit to the UK. The investment highlights strengthening ties and technological collaboration between the U.S. and the UK. Reuters noted it could not immediately verify the information. The currency exchange rate referenced is $1 to 0.7377 pounds.
3. <https://www.cremediaeurope.com/news/blackrock-commits-578m-to-uk-data-centre-upgrades~10yhFE9e/> - BlackRock is investing up to £500 million (€578 million) through its real estate business to upgrade enterprise data centres across the UK. This initiative aims to meet the growing demand from businesses for advanced data processing capabilities, especially for AI and digital transformation. The investment will be managed by a new joint venture called Gravity Edge, formed by BlackRock and Digital Gravity Partners (DGP). Gravity Edge will focus on acquiring, expanding, and modernizing data centres in key UK markets where power supply has been limited. These upgraded 5-20 MW data centres will offer higher-density racks, reliable power, advanced cooling, and fast connectivity for enterprise clients. Gravity Edge has already acquired an enterprise data centre west of London for over £100 million. This facility, already serving a major financial services tenant, has the potential to expand significantly and will be modernized to improve efficiency and accommodate high-density computing needs.
4. <https://www.datacenterdynamics.com/en/news/blackrock-to-invest-678m-in-uk-data-centers-venture/> - BlackRock Inc. is planning to invest $678 million into the UK data center market with a new venture. As reported by Bloomberg, US investment company BlackRock acquired a data center in west London that will seed a new venture with Digital Gravity Partners, dubbed Gravity Edge. Digital Gravity Partners will buy data centers with underutilized capacity, said BlackRock's co-head of real estate, Thomas Mueller-Borja. "We are trying to find existing assets that are underutilized but have power," Mueller-Borja said. "We aren’t doing ground-up development for hyperscalers." Gravity Edge will target data centers with 5-20MW of capacity, according to a report from IPE Real Assets. "We are always really focused on exit liquidity," added Paul Tebbit, BlackRock’s other co-head of real estate. "One of the attractive things about this strategy, given the lot sizes we are creating, we can see real estate funds or infrastructure funds being the end buyer." BlackRock is providing an initial investment of £100m ($136m) from its £1.04 billion ($1.41bn) Europe Property Fund VI to modernize the first facility. Thor Johnsen, managing partner at DGP, added: "We are thrilled to partner with BlackRock in building out this data center platform in the UK, which has the potential to scale across select sites in Europe. Gravity Edge currently delivers mission-critical data center services to a Tier 1 financial institution at an exceptionally well-run site. We plan to further modernize the facility, enhancing energy efficiency, enabling higher rack density, and unlocking additional sellable capacity. Our shared vision is to establish Gravity Edge as the default choice for customers requiring high-performance, mission-critical infrastructure, with operations designed for modern enterprise use cases in proximity to major urban hubs."
5. <https://www.ft.com/content/75551010-34b4-40bd-adba-f6c9295ea7f5> - Segro, the UK's largest listed landlord, has formed a joint venture with Oaktree-owned Pure Data Centres to develop a £1bn fully fitted data facility in Park Royal, west London. Segro, known for specialist logistics properties, has leased powered shells for data centres but this facility represents its first fully fitted centre, including systems like cooling and cabling. Segro will invest £150mn alongside providing land for the project. The move is driven by the lucrative returns expected from the growing demand for data centres, partly fuelled by AI. The facility aims to attract hyperscalers such as Amazon, Microsoft, or Google. Despite new AI models requiring less computing capacity, the limited suitable land and electricity for these facilities are expected to prevent oversupply. The UK Labour government supports data centre construction through changing planning rules and approving projects, aiming to bolster the country's digital infrastructure.
6. <https://www.reuters.com/technology/blackstones-plans-northern-england-hyperscale-data-centre-get-green-light-2025-03-05/> - Blackstone, a U.S. private equity firm, has received approval from Northumberland County Council to build a $13 billion "hyperscale" data centre in North East England. The centre, which will cover 540,000 square metres and involve an investment of up to £10 billion, will provide data storage and cloud computing services. The project is expected to create hundreds of long-term jobs, 1,200 construction jobs, and potentially 2,700 indirect jobs. Additionally, Blackstone will fund a £110 million growth and job scheme in the area. The demand for data centre capacity has surged due to technological advancements and the increased use of AI, contributing to a rise in energy requirements. This development follows a previous failed project by UK startup Britishvolt.
7. <https://www.reuters.com/markets/deals/blackrock-agrees-buy-uk-data-group-preqin-ft-reports-2024-07-01/> - BlackRock has agreed to acquire UK data firm Preqin for 2.55 billion pounds ($3.23 billion) in cash. This acquisition will enhance BlackRock's presence in the private markets data segment and will complement its Aladdin technology business. Preqin will remain available as a standalone product. Preqin, which specializes in data on the alternative investment industry, expects to generate around $240 million in recurring revenue in 2024 and has grown approximately 20% annually over the past three years. The company was founded in 2003 and has subscribers in over 90 countries. Mark O'Hare, the founder of Preqin, will join BlackRock as vice chair following the transaction. The deal was previously reported by the Financial Times, and other potential bidders had included the London Stock Exchange Group and S&P Global. Sudhir Nair, global head of BlackRock's Aladdin, stated that this partnership aims to make private markets investing more accessible and to build a more integrated platform for investors and fund managers.