



YEATS EDGE · FROM POWER TO ANSWER · THE UK CHAIN, BOUND EDITION · 31 OCT 2026
· **DRAFT, FOR DISCUSSION**

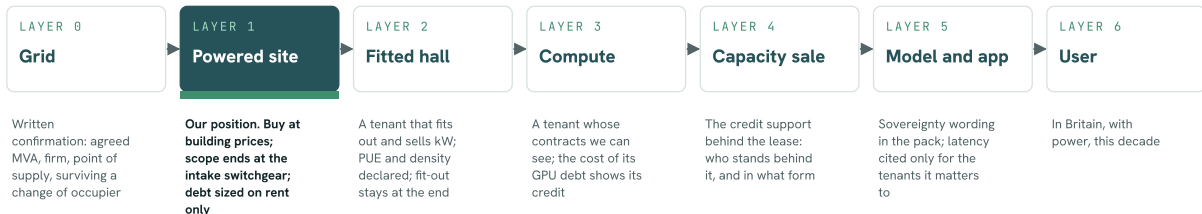
YEATS EDGE · A STUDY OF THE UK CHAIN, FROM GRID TO USER

From power to answer

How a British building with spare power becomes a paid AI request: who does each job between the two, how they make money, who stands behind whom, and where we sit.

Draft of 31 October 2026 · For discussion · Market study, no returns · Figures as published, sterling at October 2026 rates · [Download the PDF to read offline](#)

THE CHAIN, WITH OUR POSITION MARKED · WHAT WE NEED FROM EACH LAYER



Read left to right: the DNO's confirmation, our building, the tenant, the tenant's customer, the user. Our position does not change; the rest is what we ask of each layer.

THE STUDY IN EIGHT NUMBERS

1,029

primary substations with 10 MW spare today; 536 hold to 2030

11 to 13 GW

of demand can connect before 2030, against 125 GW asked

£0.7m to £1.2m

the market's price for one grid MW in the London hub

43%

our rent against a fitted London hall, for a quarter of the capital

£26m

of chips in a megawatt; three to six years of life

5.9% or 16%

a neocloud's cost of debt, with or without a hyperscaler's signature

59%

of urban Britain within 2 ms one way of a Kent site

\$725bn

the four big buyers' capital spending in 2026

CONTENTS

Ten chapters and the cards

Chapter 0 The map

We sell power and a building. Our tenant sells the compute.

Chapter 1 Grid

The connection queue has broken. The reforms punish large new applications and leave an existing supply alone.

Chapter 2 Powered site

Buy at building prices. Lease at power prices.

Chapter 3 Fitted hall

Landlord scope stops at the intake switchgear. Everything inside it belongs to the tenant.

Chapter 4 Compute

The tenant's chips wear out in three to six years. We underwrite its contracts, not its brand.

Chapter 5 Capacity sale

Buyers have begun to guarantee operators' leases. Ask every bidder who stands behind theirs.

Chapter 6 Model, app and user

Latency puts the compute in Britain. Power and sovereignty decide where in Britain.

Chapter 7 Money

Money gets dearer at every layer. A signed contract brings it back down.

Chapter 8 Paper

Draft the lease for the lender and for the next tenant.

Chapter 9 What it means for us

What is missing is not money or demand. It is a megawatt that exists.

Appendix A The cards

Every name the chapters mention, one card each.

From power to answer

How a British building with spare power becomes a paid AI request, who does each job between the two, how they make money, and where we sit. Chapter zero maps the chain and sets out how the rest will be researched.

IN SHORT

We sell power and a building. Our tenant sells the compute.

7

layers from substation to screen

2

threads: money and paper

8

questions asked of every layer

1

seat, and it never moves

For discussion. This is a market study, not a model. It carries no returns. Rent, where it appears, is £750k per MW of firm supply a year. Every figure is labelled by source and, where a third party quoted dollars or euros, converted to sterling at October 2026 rates. Nothing here has been shared outside the partners.

THE CHAIN, IN SHORT

Seven layers, two threads, our position

SEVEN LAYERS

Grid to user

Firm power at a substation becomes a powered site, a fitted hall, a rack of compute, a sold contract, a model behind an API, and finally an answer on someone's screen.

OUR POSITION

Layer 1

We own the building and the connection and lease it to a layer 2 or layer 3 operator. We do not own the compute. Layers 3 to 6 matter to us in so far as they decide whether our tenant is still paying rent in year eight.

TWO THREADS

Money and paper

Who finances each layer and at what cost, and which contract hands the asset to the next layer. Both run the full length of the chain and get their own chapters.

THE GAP IN THE UK

5 to 15 MW, now

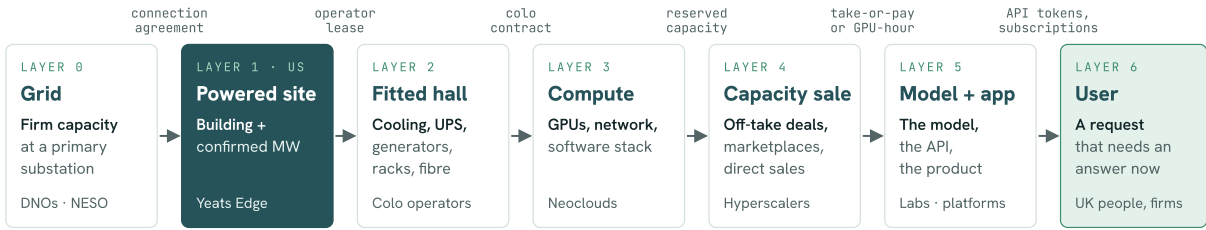
Hyperscale campuses run at 50 MW and up and wait years for grid. Sovereign and edge inference runs at 5 to 15 MW a site and wants power this decade. That band is where our buildings fit.

0.1 • THE MAP

From a substation to a screen

Read left to right. Each box is a layer with its own owners and its own economics. The label on each arrow is the contract that moves the asset to the next layer. The two bands beneath are the money and paper threads, which run the length of the chain.

THE CONTRACT THAT MOVES IT ON



UNIT OF SALE

MVA agreed £ per MW a year £ per kW a month £ per GPU-hour £ per cluster-year £ per million tokens £ per seat

WHAT BREAKS HERE

Reinforcement, queue Capacity lost on change Density outruns cooling GPU obsolescence Spot price collapse Model gets cheaper Latency

THREAD A · MONEY

DNO charges → property debt sized on rent → fit-out capex → GPU-backed loans → hyperscaler take-or-pay → venture and revenue → the user's card

THREAD B · PAPER

Connection offer → planning, Ofgem thresholds → lease: refresh, re-let rights → backstop or guarantee → sovereignty, procurement rules → terms of service

The chain for one UK site. Layers 2 and 3 are often the same company when a neocloud fits out its own hall. Our tenant is layer 2 or layer 3; the credit behind our tenant usually sits in layer 4.

#	LAYER	WHO HOLDS IT IN THE UK TODAY	WHERE THE MONEY COMES FROM	WHAT GOES WRONG
0	Grid	UK Power Networks and the other DNOs; NESO for transmission	Regulated revenue; connection charges paid by the applicant	Reinforcement cost and queue time; capacity oversubscribed; agreed supply lost when an occupier leaves
1	Powered site	Yeats Edge; Segro-type developers; Telereal's exchange estate; owners of ex-industrial supply	Property equity and debt sized on rent	Power priced into the purchase; tenant default; fallback use lost
2	Fitted hall	Kao, Ark, Pulsant, nLighten, Latos, Datum, Yondr, the London campus operators	Infrastructure equity, project debt, green bonds	Density outruns cooling; fit-out stranded by a tenant's exit
3	Compute	Nscale, Civo, Nebius, CoreWeave, Ori, the hyperscalers' own clusters	Venture equity, GPU-backed debt, vendor finance, Nvidia itself	GPUs lose value in three to five years; a lab walks away; power never arrives
4	Capacity sale	Microsoft, Google, OpenAI, Anthropic, Meta as buyers; SF Compute and Nvidia Lepton as markets; BT and Crown Hosting as channels	Hyperscaler balance sheets; take-or-pay contracts; marketplace fees	Spot GPU prices fall; off-taker renegotiates; concentration in one buyer
5	Model and app	Labs and API platforms; UK AI firms; enterprises; the public sector via G-Cloud	Venture, subscriptions, enterprise contracts, public procurement	Inference gets cheaper per token faster than demand grows
6	User	People and firms in the UK who need an answer in under a few hundred milliseconds	Their own spend	They do not care where the compute is, unless it is slow or abroad

Holders named are examples from public sources, to be verified in the chapters. The highlighted row is our position.

Eight questions, asked of every layer

Each chapter answers the same eight questions in the same order, so layers can be compared like for like. The answers to the last question are collected in chapter 9.

#	QUESTION	WHAT IT PRODUCES
1	What is it?	The asset and the unit it is sold in
2	Who are the UK players?	A named list, tiered
3	What are they?	Ownership, scale, funding, age
4	What do they do?	The service and the customer
5	Who runs them?	Background of the leadership, by role not name
6	How do they make money?	Pricing, margins, capital intensity, where debt sits
7	Why now?	The force pushing them: power scarcity, sovereignty, latency, cheap or dear capital
8	What does it mean for us?	One paragraph: a tenant, a risk, a term to ask for, or a thing to avoid

0.3 • THE CHAPTERS

Nine chapters and an appendix of cards

CH	TITLE	BRIEF	THE VISUAL
0	The map	This document	The chain infographic above
1	Grid	How UK distribution capacity is allocated, who the DNOs are, what the queue and the 2030 forecasts mean, Ofgem's thresholds, where power is actually spare	GB map of spare capacity at 5 and 10 MW, from power.yeats.com
2	Powered site	Who else owns buildings with power: Segro, Telereal, industrial landlords, the US miner precedent; what a powered shell lets for; how our position compares	Rent stack per MW across layers 1 to 3
3	Fitted hall	The UK colocation and regional edge operators; what a fit-out costs and who pays; what £ per kW per month buys	Anatomy of one MW of hall: landlord scope against lessee scope
4	Compute	The neoclouds and sovereign providers in Britain; how they are funded; what a GPU earns and loses; who has already failed	Life of a GPU: cost, earnings and value over five years
5	Capacity sale	Hyperscaler off-take, backstops, marketplaces, public-sector channels; what sits between a GPU owner and a buyer	Who pays whom: the money flow behind one 10 MW lease
6	Model, app and user	UK inference demand: who runs models here, why latency and sovereignty pull compute onshore, and how far from London it needs to be	Latency rings around UK population from candidate sites
7	Money	Finance for the full chain in one place: cost of capital by layer, where debt is sized, what a lender will and will not lend on	Capital stack by layer
8	Paper	The contracts: connection offer, lease and its clauses, backstop, power pass-through, planning, sovereignty rules	One lease on one page, clause by clause
9	What it means for us	Where we sit, who we lease to, what we ask for, what we never do; the target list, revised	The ask list, and the chain with our position marked

A	Cards	One card per player: deep cards for eight, short cards for the rest	A card template, repeated
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0.4 · THE PLAYERS

Eight deep, the rest on cards

UK only, and spread across the chain rather than clustered in one layer. The deep eight are the firms whose behaviour sets the terms we will be offered. The cards cover everyone else a tenant, lender or broker might mention. The seed list is the operator and broker target list of 31 October; this study will revise it.

Deep eight

LAYER	FIRM	WHY DEEP
0	UK Power Networks	Our DNO. Its connection process, queue and forecasts decide what a Kent or London site can hold
1	Segro	The UK's largest industrial landlord now building powered shells to order; the closest thing to a competitor in our position
2	Kao Data	Landlord of choice for neoclouds in Britain; hosts Nebius, Ori and Civo; shows what fitted halls lease for and on what terms
2	Pulsant	The regional edge consolidator; buys sites of our size with fresh debt
3	Nscale	The UK neocloud: BT, Microsoft and OpenAI relationships, grid-delayed at Loughton, IPO filed. Its delays show what a site with confirmed power is worth
3	Civo	Forty edge sites planned at about 8 MW each; the clearest statement of UK inference demand at our size
3	Nebius	The international neocloud scaling fastest in Britain; shows how a well-funded operator chooses between a shell and a hall
4	Microsoft UK	The buyer behind Nscale and Nebius; its UK commitments and its exits set the credit behind our tenants

Cards, by layer

LAYER	FIRMS
0	NESO; National Grid Electricity Distribution; SSEN; Northern Powergrid; Electricity North West; SP Energy Networks; Ofgem (as rule-setter)
1	Telereal Trillium and Openreach; BT Group as counterparty; the US miner precedent (TeraWulf, Cipher, Applied Digital) as a structure, not a UK player
2	Ark and Crown Hosting; Latos; nLighten and Proximity; Datum; Yondr; Green Mountain; Equinix, Digital Realty, Global Switch and Telehouse
3	CoreWeave UK; Ori; DataVita; Fluidstack (as structure); Lambda and Sesterce (watch); the hyperscalers' own UK regions
4	Google UK; OpenAI and Stargate UK; Anthropic; Meta; SF Compute; Nvidia DGX Cloud Lepton; Crown Commercial Service and G-Cloud
5 and 6	UK model and app firms that buy inference (to be identified in chapter 6); API platforms such as Together, Baseten and Fireworks; Cloudflare and Akamai at the network edge; Isambard-AI and the UK sovereign programme
Money	GPU and data-centre lenders active in the UK (to be identified in chapter 7); the green ABS and infrastructure funds behind the operators
Intermediaries	CBRE, JLL, Cushman & Wakefield, Knight Frank, Savills, Avison Young; DC Byte, datacenterHawk, Structure Research

0.5 • METHOD

Online only, labelled, with the gaps stated

- **Sources by layer.** Grid: DNO heat maps and long-term development statements, NESO registers, Ofgem decisions, our own power.yeats.com data. Site and hall: RNS announcements, planning applications, agency research, trade press. Compute and capacity: company filings and prospectuses, funding announcements, job adverts (which say where a firm is building before the press does), customer announcements. Money: lender press, bond documents, filings. Paper: law-firm commentary, published lease summaries, government policy papers.
- **Labels.** Every capacity figure is marked Confirmed, Indicated or Assumed. Every money figure carries its source and date. Dollar and euro figures are converted to sterling and say so.
- **What online cannot tell us.** The rent actually paid on a UK powered shell; the terms of any backstop; a DNO's offer for a specific site; a tenant's true utilisation. Where we cannot know, we say so and triangulate from the nearest public evidence rather than fill the gap.

- **The US as precedent.** American structures (miner conversions, lease backstops, gigawatt campuses) suggest where the UK may go. They are presented as precedent, not as UK facts.
- **Sequence.** One chapter at a time, read and steered before the next starts. Each chapter ends with a "what it means for us" paragraph; chapter 9 collects them.

0.6 • CARRIED FORWARD

What we already know, to be tested

- Ten megawatts is the sovereign and edge inference size in Britain: Civo at about 8 MW a site, Nscale and BT at 14 MW over three sites, a neocloud taking 14 MW at Romford, Nebius at 22 MW at Harlow.
- Confirmed power is the scarce input. Nscale's Loughton site was grid-delayed and lost its anchor customer in October 2026. A site with an agreed supply this decade carries a premium; chapter 2 should try to size it.
- Google has backstopped a neocloud's leases at two US sites in return for warrants. No UK example has been found. Chapter 5 asks whether one is coming.
- Fluidstack moved its headquarters to New York and left a French project; it is a structure to study, not a UK tenant.
- Marketplaces (SF Compute, Lepton) trade GPU-hours, not megawatts. They matter to our tenant's revenue, not to our rent.
- AI Growth Zone benefits attach to designated sites; none is in Kent or London.

0.7 • OPEN

To settle before chapter 1

1. **Title.** "From power to answer" is the working title. Alternatives: "The chain", "Who sells the compute".
2. **Voltron.** The earlier book names Voltron as the proposed anchor tenant. This study can treat Voltron as one layer 3 player among several, or leave it out and keep the piece purely market. We suggest one card.
3. **Length.** Twenty-five to thirty pages of story plus the cards, with one infographic per chapter. If that is too long for the readers, the chapter 9 summary and the map can stand alone.

CHAPTER 1

Grid

Layer 0. Where firm power comes from, who allocates it, why the queue broke in 2025, what the regulator and the government are doing about it, and where in Britain the capacity actually is. Chapter 1 of From power to answer.

IN SHORT

The connection queue has broken. The reforms punish large new applications and leave an existing supply alone.

125 GW

of demand offers by June 2025

11 to 13 GW

connectable before 2030

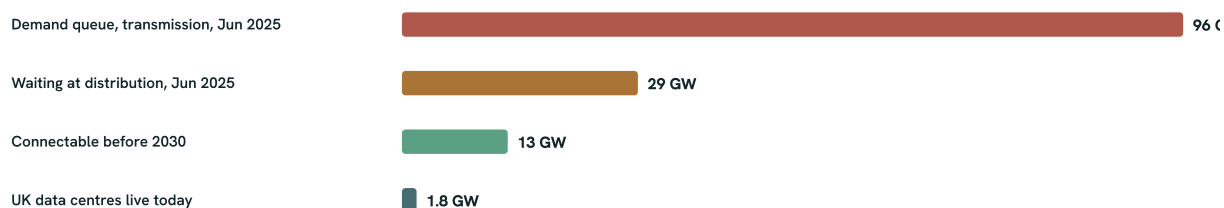
1,029

primaries with 10 MW spare

251

of them on UKPN's network

THE QUEUE AGAINST WHAT CAN CONNECT · GIGAWATTS



Sources: DESNZ strategic-demand consultation (Mar 2026); NESO queue results (Dec 2025); Savills (Jun 2026). Roughly one megawatt in ten that has applied can connect this decade.

Basis. Market study, no returns. Capacity figures are the network operators' own published headroom, marked **Indicated** unless a connection agreement is cited. Dollar figures converted at October 2026 rates. Sources in section 1.9.

CHAPTER 1, IN SHORT

The queue broke; the reforms favour small connections that are ready to build

WHAT IT IS

Firm capacity at a primary substation

Six private groups run the fourteen distribution licences. They connect anything up to tens of MW; above that NESO and the transmission owners are involved.

THE FIX

Evidence, a fee and a priority list

From 1 June 2026 any demand connection of 5 MVA or more must prove land, authority and a programme. Ofgem proposes a commitment fee for data centres above 40 MW, and government will prioritise named strategic projects.

WHAT BROKE

A 125 GW demand queue

Demand applications rose from 41 GW to 125 GW in seven months to June 2025, 460% at transmission alone. About 140 data centres, c.50 GW, sit in the transmission queue; only 11 to 13 GW of demand can connect before 2030.

FOR US

Buildings with a supply already agreed

A building that already holds an agreed supply sits outside the queue. 1,029 primary substations publish 10 MW or more spare today; 536 still do on the 2030 forecast. Those are the areas we search.

1.1 • WHAT IT IS

The asset is an agreed supply, not a wire

Every building in Britain is connected to a distribution network at low or high voltage.

What matters for compute is not the connection but the **agreed supply capacity** written into the connection agreement: the MVA the network operator has promised to deliver, firm, at that point of supply. A building's physical substation might be rated at 2 MVA while its agreement says 1 MVA; the agreement governs. Anything above the agreement needs a new application, and that application joins the queue.

The network has four tiers between a building and the national grid. Headroom at any one of them can bind.

TIER	WHAT IT IS	TYPICAL VOLTAGE	WHO OWNS IT	WHAT BINDS HERE
Local substation	The transformer that feeds a street or an estate	11 kV to 400 V	DNO	Transformer rating; usually the cheapest thing to upgrade
Primary substation	The 33/11 kV site that feeds a town or a district; c.4,300 in GB	33 kV to 11 kV	DNO	Firm capacity (one transformer out) against peak demand plus accepted offers. This is the tier our power map reads
Bulk supply point	Feeds several primaries	132 kV to 33 kV	DNO	Transformer and circuit ratings; reinforcement takes years
Grid supply point	Where the DNO meets the transmission network	400/275 kV to 132 kV	Transmission owner, operated by NESO	Transmission impact; anything large enough to matter here needs a NESO assessment

A 10 MW demand connection normally lands at a primary at 11 kV or 33 kV.

Whether it needs a transmission assessment depends on the headroom at the grid supply point above it, not on a fixed MW threshold.

1.2 • WHO

Six groups, fourteen licences, one system operator

Distribution is a regulated monopoly by area. The licences were privatised in 1990 and have changed hands many times since; two changed in the last two years. The regulatory settlement is the same for all six and matters more than the owner, but the owner shows whose capital is behind the reinforcement programme.

GROUP	LICENCE AREAS	OWNER (2026)	SCALE	NOTE FOR US
UK Power Networks	London, South East, East of England	Engie, since 7 May 2026 (bought from CK Infrastructure, Power Assets and CK Asset at a £10.5bn equity value)	c.8.3m homes and businesses	Our DNO. Kent, London and Essex are all UKPN. A UKPN director has said data centres on its network draw only 30 to 40% of their agreed capacity on average
National Grid Electricity Distribution	East Midlands, West Midlands, South Wales, South West	National Grid plc (bought Western Power Distribution from PPL for £7.8bn, 2021)	c.8m customers; the largest DNO	Publishes the most complete capacity data; the Midlands hold the most industrial floorspace
SSEN Distribution	Southern England, North Scotland	SSE plc (the 25% Ontario Teachers' stake is in SSEN Transmission, not distribution)	c.3.1m customers in the south; the north is sparse	Southern England borders UKPN's South East; no 2030 forecast in its published data
Northern Powergrid	North East, Yorkshire	Berkshire Hathaway Energy	3.9m customers	Yorkshire has the second-largest count of primaries with 10 MW spare
SP Energy Networks	Central and Southern Scotland; Merseyside, Cheshire and North Wales	Iberdrola (ScottishPower)	c.3.5m customers (Indicated)	Central Scotland publishes the most spare capacity of any area, and has the least demand to use it
Electricity North West	North West	Iberdrola 88% (completed 2025, £2.1bn), Kansai-led consortium 12%	c.2.4m connections, 5m people	Now the same owner as SPEN; two of the six

Above them all sits **NESO**, the National Energy System Operator, publicly owned since October 2024. It runs the transmission queue, assesses large demand for transmission impact, and is now being directed by government on which demand projects go first. **Ofgem** sets the price controls (RIIO-ED2 runs April 2023 to March 2028 with £22.2bn of allowed spend; ED3 from April 2028 is being designed now) and writes the connection rules.

1.3 • WHAT THEY DO

How a connection happens, and what it costs

1. **Budget estimate.** A desk exercise with no site visit. For 1 MVA and above a DNO must return it within 20 working days under the guaranteed standards.
2. **Application and formal offer.** For high-voltage work the standard is 65 working days to a quotation. Since 1 June 2026 any application of 5 MVA or more must carry a letter of authority, heads of terms if the applicant does not own the site, a site plan, a single-line diagram where the kit could disturb the network, and a preliminary programme with a credible connection date. "As soon as possible" is no longer accepted.
3. **Acceptance and milestones.** Offers are open for a fixed period (ENWL's is 180 days; UKPN's should be checked). Acceptance starts the milestone clock. Where the connection date is within five years UKPN works the milestones forward from acceptance.
4. **Charges.** Since the Access reforms of April 2023 a demand customer pays for the sole-use assets to its site and nothing towards reinforcement of the shared network, unless the project trips the high-cost threshold of £1,720 per kVA or is deemed speculative. Reinforcement is funded by the DNO and recovered from all users through use-of-system charges. In effect, a demand customer in Britain does not pay for the shared network it triggers.
5. **Energisation.** The physical works. The binding constraint in 2026 is plant: transformer and switchgear lead times have lengthened, in places doubling, and now set the programme.

Cost. A 10 MW connection therefore costs mostly the sole-use works: the cable from the primary, the intake switchgear and metering. On a site that already holds the capacity, there is no connection cost at all, only the intake. The landlord scope in our model carries the intake and the network operator's charge; the biggest variable is whether the supply needs raising.

1.4 • WHAT BROKE

The queue, in numbers

MEASURE	FIGURE	DATE AND SOURCE
Transmission demand queue	96 GW	End June 2025, when the queue closed; up 460% in six months (DESNZ, Mar 2026)
Waiting at distribution	29 GW	Same date and source
Total demand offers, Nov 2024 to Jun 2025	41 GW to 125 GW	Ofgem, reported by law-firm briefings 2026
Data centres in the transmission queue	c.140 projects, c.50 GW	NESO Call for Input, 2025
Data centre queue by Ofgem's count	c.315 projects, c.73 GW	Ofgem Curate consultation, Jul 2026; 99% of that capacity is in projects above 40 MW
Demand that can connect before 2030	11 to 13 GW	NESO queue results, Dec 2025 (DCD says 13; Savills and Slaughter and May say 11); a further c.86 GW between 2030 and 2035
London data centres live and queued	c.760 MW live, 8 GW+ queued	GLA figures via press, 2026; another count puts live at 1,050 MW
Data centres applying for gas instead	c.117 cases	Ofgem Connect update, Jun 2026: operators seeking gas generation to run before the grid arrives
Wait for a new 50 MW data centre connection	c.7 years	Burges Salmon, 2026; against c.4 in Northern Virginia and c.8 in Dublin

Nscale's Loughton campus is the example. Planned at 50 MW rising to 90 MW, it lost its anchor customer in October 2026 when Microsoft withdrew, and is now reported for the 2030s. The constraint was 90 MW of new connection in Essex, not the building.

1.5 • HOW IT IS BEING FIXED

Ofgem, government and the networks

Ofgem: Curate, Plan, Connect

- **Curate** (consultation 29 July to 16 September 2026, decision expected by the end of 2026): a commitment fee for data centres above 40 MW, proposed at 2.5% to 7.5% of average data centre capital cost, which briefings convert to roughly £240k to £710k

per MW of requested capacity, held from offer acceptance to energisation and applied to the existing queue with exemptions near energisation; plus data-centre-specific milestones requiring evidence of customer demand, procurement, finance and technical maturity. Respondents, including the DNOs, asked for the same rules at distribution as at transmission to stop projects arbitraging between the two.

- **Plan:** Regional Energy Strategic Plans, published January 2026, give the DNOs a demand pathway to invest against in ED3.
- **Connect** (update 16 June 2026): let demand customers self-build and own, or self-build and transfer, high-voltage assets, with an independent transmission owner licence consulted on this autumn; offer large demand a high-voltage connection rather than forcing a step-down; and review connection terms so data centres can run flexibly, since most can be designed to shed or shift some load.

Government: strategic demand

The DESNZ consultation of March 2026 (closed 15 April; summary updated 28 October 2026) uses the Planning and Infrastructure Act 2025 to: tighten queue entry for data centres across transmission and distribution together; designate a list of strategic demand projects, including AI Growth Zones, to which NESO must reallocate capacity freed when others leave the queue and for which it may reserve capacity ahead of need; and, later, align data centre connections to a national data centre strategy. A Connections Accelerator Service has run since December 2025 for a small number of named projects. Distribution-connected projects are not yet inside the prioritisation rules; the paper says a parallel process will be designed "as soon as possible".

The networks: 5 MVA and above

The ENA's minimum information requirements for demand of 5 MVA and above took effect on 1 June 2026 across all DNOs: letter of authority, heads of terms, site plan, single-line diagram and a dated programme. The rule is aimed at speculators holding capacity on land they do not control. It also means an application in our name needs the site under contract first.

Effect. Each of these measures falls hardest on large, speculative, new-build connections. None of them touches a building that already holds an agreed supply. The reforms widen the gap between a 90 MW application and a 5 MW building whose capacity is already agreed.

1.6 • WHY NOW

Why the DNOs will reinforce, and why not fast enough

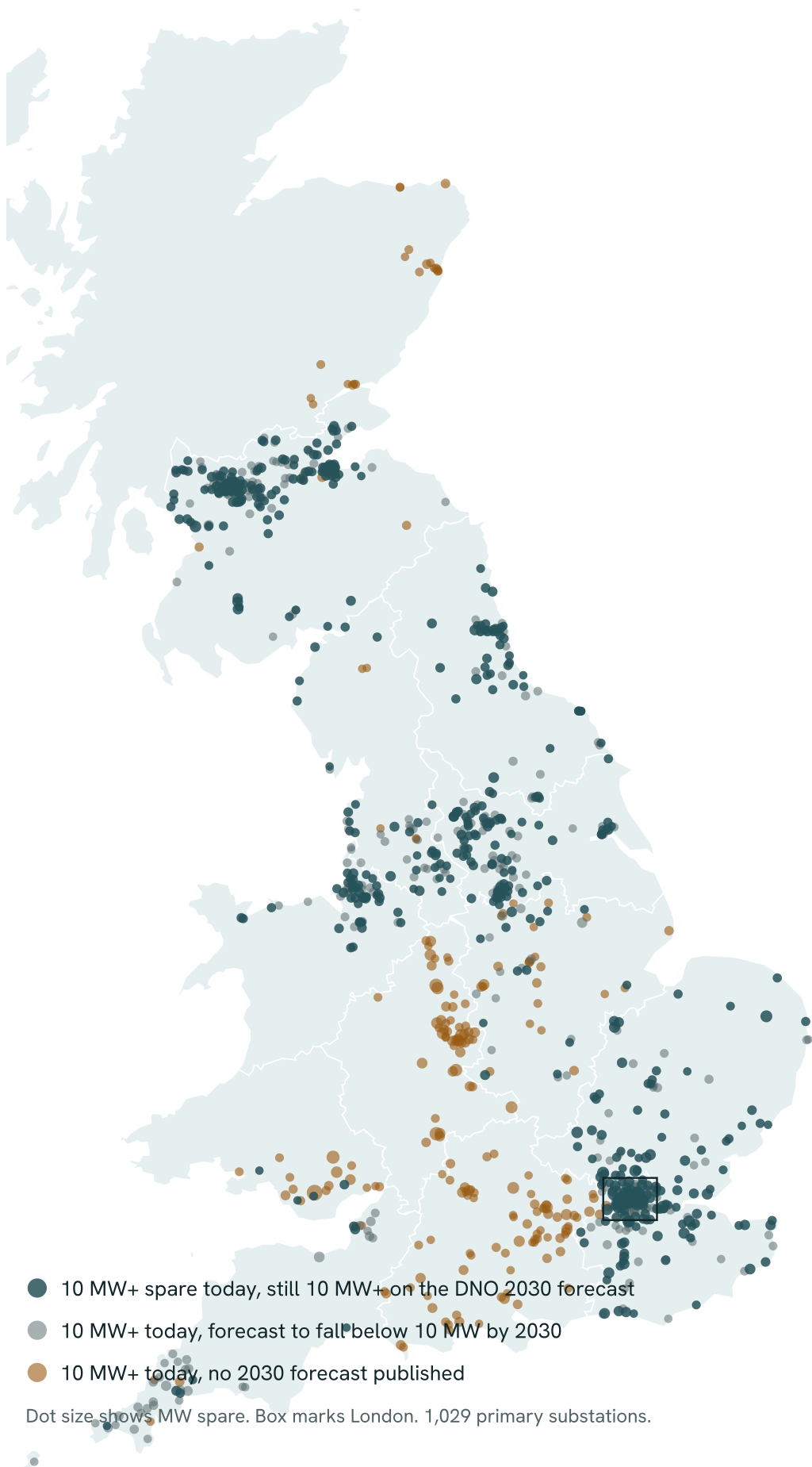
The DNOs are regulated to a revenue allowance, so they reinforce when Ofgem lets them. ED2 allowed £22.2bn across the six groups for 2023 to 2028. The National Infrastructure Commission put the distribution need at £37bn to £50bn to 2050, at least double current annual allowances, and Ofgem's ED3 methodology decision of May 2026 moves to a build-and-flex model with the regional plans as the demand reference and a higher allowed return on equity. National Grid's chief executive said in 2024 that data centre demand would rise six-fold in ten years. The funding is in place or planned; the constraints are plant and people, and reinforcement at a bulk supply point still takes years.

Meanwhile the DNOs' own 2030 forecasts show headroom falling at 1,820 of the 2,940 primaries that publish one, as heat pumps, vehicles and housing take the slack. Headroom published today may not be there in four years.

1.7 • WHERE THE POWER IS

Primaries with 10 MW or more to spare

Our own schedule reads the published headroom at 4,277 primary substations across the fourteen areas and tests it against each operator's 2030 forecast where one exists. The map and table below count primaries with 10 MW or more spare, the size that matters to us.



AREA	DNO	PRIMARIES	5 MW+ SPARE	10 MW+	OF WHICH HOLD TO 2030	20 MW+	PUBLISHED HEADROOM, MW
Central and Southern Scotland	SPEN	389	305	211	141	12	4,011
Yorkshire	Northern Powergrid	363	175	118	75	11	2,271
East of England	UKPN	442	267	93	68	21	3,241
London	UKPN	106	102	88	69	47	3,208
Southern England	SSEN	424	153	80	no forecast	17	2,103
South East	UKPN	233	155	70	41	20	2,045
North East	Northern Powergrid	179	106	66	48	8	1,338
Merseyside, Cheshire and North Wales	SPEN	335	123	60	40	8	1,729
West Midlands	NGED	212	87	57	mostly no forecast	29	1,622
North West	ENWL	368	151	52	28	5	1,724
East Midlands	NGED	367	104	48	13	4	1,288
South West	NGED	305	72	45	7	5	990
North Scotland	SSEN	360	57	21	no forecast	0	762
South Wales	NGED	194	53	20	4	5	858
Great Britain		4,277	1,910	1,029	536	192	27,190

power.yeats.com, read 31 Oct 2026, from each DNO's published capacity data and long-term development statement. "Hold to 2030" counts primaries whose own operator's forecast keeps 10 MW or more spare; 209 of the 1,029 publish no forecast. All figures indicated: a verdict band is never a DNO confirmation.

UKPN's three areas hold 251 of the 1,029 primaries with 10 MW spare, and 178 of the 536 that hold to 2030. For this size of load our DNO is the best placed in the country. Central Scotland has the most spare capacity and the least demand to use it, which is why the AI Growth Zone went to Lanarkshire. The Midlands have the most industrial floorspace but publish no 2030 forecast, so a building there is harder to underwrite than a weaker one in Kent.

1.8 • WHAT IT MEANS FOR US

Buy the agreement, not the application

- **Agreed supply.** A building with 5 MVA in its connection agreement is outside the queue, the fee and the milestones described above. A building with a 2 MVA agreement and a 10 MW application is inside all of them. We should price the two differently.
- **Confirmation before exchange.** The agreed supply, the point of supply and whether capacity survives a change of occupier are three questions to put to the DNO in writing, and the first gate in our process. Capacity that has been de-energised for years is at risk of review.
- **Size.** Ten MW lands at a primary, normally below any transmission assessment, below Ofgem's 40 MW fee threshold, and inside the band where 1,029 substations have room today.
- **Reinforcement.** The DNO pays for shared reinforcement; we pay for the sole-use works. Where a supply needs raising, the cost is modest and the time is the risk.
- **DNO.** UKPN leads the country on primaries that hold 10 MW to 2030, so Kent and London are the right areas. Its new owner, Engie, is an energy group rather than a financial holder, which may change how it engages on flexible and self-build connections.
- **Private wire and self-build.** Ofgem's Connect reforms make self-build of high-voltage assets and behind-the-meter supply more legitimate. For a site beside generation, a private wire is a second route to firm power, and the Westwood plan already tests it.
- **AI Growth Zones.** They will not help us directly, and prioritisation at distribution level is still unwritten. We should watch for the parallel process the government has promised; a cluster of several buildings on one primary might one day qualify as strategic demand.

1.9 • SOURCES

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- NESO queue results and pre-2030 capacity: [DCD](#), [Savills](#), [Slaughter and May](#)
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- Guaranteed standards timescales: [Ofgem 2025](#), [ENWL Apr 2026](#); UKPN milestones: [UKPN](#)
- UKPN sale to Engie: [RNS 7 May 2026](#), [Energy Connects](#); UKPN 30 to 40% utilisation: [Utility Week](#)
- Other DNOs: [NGED/WPD](#), [ENWL/Iberdrola](#), [Northern Powergrid](#), [SSEN](#)
- Price controls: [ED2 £22.2bn](#), [ED3 framework](#), [Oxera on ED3 SSMD](#)
- Market: [Borges Salmon via Data Centre Magazine](#) (7-year wait), [Sifted](#) and [City AM](#) (Loughton), [DCD](#) (six-fold, Mar 2024), London figures via [Datacentres.com](#), gas generation: [ecee](#)
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CHAPTER 2

Powered site

Layer 1, our position in the chain. What a powered site is and the three forms it is sold in, who else holds one in Britain, what the market pays for power on land and in a building, what the American conversions show, and where our rent sits. Chapter 2 of From power to answer.

IN SHORT

Buy at building prices. Lease at power prices.

£0.7m to
£1.2m

the price of one grid MW,
London hub

3.0 GVA

Segro's power bank

4,600

exchanges leaving BT's use

43%

our rent against a fitted hall

WHAT A MEGAWATT COSTS AT EACH STEP · £M PER MW

Power alone: land with a connection, London hub

Linklaters, Jul 2026

£0.7-1.2m

Power alone, northern UK

Linklaters, Jul 2026

£0.17-0.6m

Our building, works and connection, all in

Edge model

£4m

Converted sites sold, UK and US

Redcentric, Cogent, Loudoun

£3.1-5.5m

Fitted hall, London

Ofgem basis; Segro and Pure

£9.5-17.9m

The chips on top

c.1,000 H100-class GPUs

£26m

Basis. Market study, no returns. Rent is £750k per MW of firm supply a year; cost £4.0m per MW all in. Third-party figures are quoted as published, with sterling in

brackets at October 2026 rates (£1 = \$1.33 = €1.18). "Derived" means our arithmetic from a published total. Sources in section 2.7.

CHAPTER 2, IN SHORT

Power has a market price, and we buy it as a building

WHAT IT IS

Land or a building with a firm supply

Sold three ways: powered land, powered shell, or fitted hall. We sell the powered shell in an existing building. The operator funds the kit.

WHO ELSE

Segro, Tritax, Harworth, TT Group

The listed landlords are moving up the stack to fitted halls at 50 to 150 MW. The owner of the 4,600 closing exchanges has so far sold them for housing. Nobody is doing 5 to 15 MW in existing buildings at scale.

WHAT POWER IS WORTH

c.£0.7m to £1.2m per grid MW

In London and the other big European hubs, land with a connection carries that premium per megawatt (Linklaters, Jul 2026). Savills puts data-centre-ready land at £8m to £15m an acre against £4.5m to £6m for ordinary industrial.

OUR RENT, IN CONTEXT

About 43% of a fitted London hall

£750k a MW is £62.50 per kW a month, against CBRE's £145 for fitted London capacity. The operator funds the hall and the kit; we fund the building and the connection.

2.1 • WHAT IT IS

Three products, one scarce input

A powered site is land or a building with a firm electricity supply already agreed with the network operator. The industry sells it in three forms, and the form decides who funds what and what the rent is called.

FORM	WHAT THE LANDLORD PROVIDES	WHAT THE OCCUPIER PROVIDES	HOW IT IS PRICED	WHO SELLS IT IN BRITAIN
Powered land	A site with a connection agreement, usually sold freehold	Everything above ground	£ per acre, or £ per MW of agreed capacity	Harworth, Segro (selected plots), landowners near substations, hyperscalers buying
Powered shell	A secure building, intake switchgear and metering at the point of supply, the connection	Internal distribution, generators, UPS, cooling, racks, fibre fit-out, the compute	£ per MW of firm supply a year, indexed, 10 to 15 years	Segro (Slough), Tritax (Manor Farm, planned), Yeats Edge in existing buildings
Fitted hall (turnkey, wholesale)	All of the above plus cooling, UPS, generators and often fibre	Racks and compute	£ per kW of IT load a month	Segro with Pure DC, Kao, Ark, Yondr, the London campus operators (chapter 3)

Grid MW and IT MW are different numbers. A fitted hall quotes IT load, the power the racks draw. A powered shell quotes the agreed supply at the intake, which must also run cooling, losses and reserve. The gap is the operator's efficiency: a well-run liquid-cooled hall turns roughly 1 MW of supply into 0.8 MW of IT load; an old air-cooled one, less. Our rent is per MW of firm supply. Each comparison below states its basis. UK Power Networks has observed that data centres on its network draw on average only 30 to 40% of the capacity they hold. Operators therefore guard their agreements, and a building with a large, under-used agreement is worth looking at.

2.2 • WHO

The holders of power in Britain

WHO	WHAT THEY ARE	WHAT THEY HOLD	WHAT THEY DO WITH IT	READ FOR US
Segro	FTSE 100 industrial REIT; Slough Trading Estate	A "power bank" of 3.0 GVA across European availability zones (July 2026), 1.4 GVA of it to lease within seven years	Moving from powered shells to fully fitted halls in joint ventures with Pure DC: Park Royal (56 MW IT, c. £1bn, 70 MVA incoming, ready 2029) and a second in Paris. Still signs shells where a customer wants one: Slough, 50 MVA, pre-let March 2026 with the customer contracting the power directly	The reference landlord. Its move up the stack leaves the shell product to others, and its scale starts at 50 MVA
Tritax Big Box	FTSE 250 logistics REIT	Manor Farm, 74 acres by Heathrow, bought January 2025 for an initial £70m plus 21% of phase-one profit to the vendor	107 MW phase one (147 MW with phase two), consented after a judicial review, to be built as a powered shell subject to a pre-let; a 50% joint venture with an unnamed European generator secures connections to two substations	Shows what a listed landlord pays for powered land and that it needs a pre-let before it builds
Harworth Group	Listed regenerator, now a pure-play powered land and logistics specialist	About 0.8 GW of further connections beyond Skelton Grange; up to six hyperscale sites, all freehold or under option	Sold two plots at Skelton Grange, Leeds, to Microsoft for £106m (resolution to grant April 2026); exclusivity on a second site to an unnamed provider, August 2026	The purest powered-land seller in Britain. Its buyers are hyperscalers, not neoclouds
TT Group (Telereal)	Private property	Nearly all of Openreach's	Exited exchanges and offices sold so	The counterparty

Trillium)	group; bought c.6,700 BT properties in 2001 for £2.38bn	c.5,600 exchanges, c.4,600 of which close from 2025 into the early 2030s; the main lease runs to 2031	far have gone to housing; no data-centre reuse found, no marketing programme announced; first exits (Deddington 2025) done, next pilots slipped to November 2026	for the exchange channel. Slow, small per site, and not yet pricing the power
Stellanor (DWS)	Infrastructure fund platform	Eight Redcentric data centres, bought October 2025, completed May 2026	Enterprise value up to £127m for "41 MW", of which 23 MW is secured grid: £3.1m to £5.5m per MW derived	A UK price for existing small sites with power
Gravity Edge (BlackRock, DGP)	Edge platform	Camberley enterprise data centre, September 2025, expandable to 20 MW	More than £100m including modernisation; strategy is 5 to 20 MW sites with under-used capacity	The closest strategy to ours in Britain, at the fitted-hall layer and with institutional money behind it
The hyperscalers as buyers	Microsoft, Google, Amazon	Buying powered land outright where it exists (Microsoft at Skelton Grange; Google's £5bn UK programme)	Build their own halls	They set the top of the land market and will not lease a 10 MW building
Yeats Edge	Sponsor-developer	A national screen of c.80,000 buildings against published headroom; two seed sites under appraisal	Buys existing buildings whose connection agreement already holds the capacity, does the landlord works, leases as a powered shell at £750k a MW	The gap: 5 to 15 MW, existing buildings, this decade

What the market pays for power

Land

EVIDENCE	FIGURE	SOURCE	WHAT IT SAYS
London industrial land	£4.5m to £6m an acre	Savills, reported April 2026	The data-centre premium on an acre is £3.5m to £9m in London. At the rule-of-thumb half to one acre per MW, that is the price of the connection
London land suitable for a data centre	£8m to £15m an acre	Savills, same	
Powered land, FLAPD hubs (Frankfurt, London, Amsterdam, Paris, Dublin)	€0.8m to €1.4m per grid MW (c. £0.7m to £1.2m)	Linklaters, 8 July 2026	The market value of a megawatt of agreed supply before any building; the cleanest figure in the table
Powered land, northern UK	€0.2m to €0.7m per grid MW (c. £0.17m to £0.6m)	Linklaters, same	Power is worth a third as much where the users are not
Northern Virginia, for comparison	c.\$4m an acre entitled without power; \$6m+ with	US trade press, 2026	The same premium exists in the deepest market in the world
Manor Farm, Heathrow	£70m initial for 74 acres (c. £0.95m an acre) plus 21% of phase-one profit	Tritax RNS, January 2025	Bought before the connection was secured; the power came afterwards through the generator joint venture
Skelton Grange, Leeds	£106m for two plots to Microsoft	Harworth, 2025 to 2026	A hyperscaler paying for powered land in the north

Buildings with power, sold

DEAL	WHERE, WHEN	MW	PRICE	PER MW, DERIVED
Stellanor buys Redcentric's eight sites	UK, May 2026	41 MW; 23 MW secured grid	EV up to £127m	£3.1m to £5.5m
Gravity Edge buys Camberley	Surrey, Sep 2025	to 20 MW	more than £100m with modernisation	above £5m at 20 MW
I Squared buys ten Cogent data centres (converted Sprint switch sites) for an inference platform	US, May 2026	c.53 MW	\$225m (c. £170m)	\$4.25m (c.£3.2m)
Cogent's asking prices, six converted sites	US, Feb 2025	3.9 to 8.1 MW each	\$44m to \$140m asked	\$10m to \$17m asked; a letter of intent later fell over on vendor finance
Loudoun net-lease hyperscale campus	Virginia, Dec 2025	160 MW	\$555m	\$3.47m (c.£2.6m); powered-shell cap rate 5.0%, turnkey 6.5% in the county's 2026 guidelines

Our model carries £4.0m per MW all in (£2.5m building, £1.5m works). It sits inside the range paid for converted and edge stock in Britain and America. The Cogent asking prices show what a seller tries for when the site is already fitted and running.

Powered shells and fitted halls, leased

LEASE	FORM	MW, TERM	CONTRACTED VALUE	PER MW A YEAR, DERIVED
Yeats Edge, our model	Powered shell, existing building	per MW of firm supply, 10 to 15 years, indexed	n/a	£750k
Segro, Slough pre-let	Powered shell, new build	50 MVA	not disclosed	n/d
TeraWulf to Fluidstack, Lake Mariner, New York	Turnkey, landlord-built on a former coal site; modified gross; Google backstop	c.200 MW, 10 years + two 5-year options	\$3.7bn initial term (\$8.7bn with extensions)	c.\$1.85m (c. £1.4m); landlord cost \$8m to \$10m per critical MW; expected site margin c.85%
TeraWulf and Fluidstack joint venture, Texas	Turnkey, 51% TeraWulf; Google backstop	168 MW, 25 years	c.\$9.5bn	c.\$2.26m (c. £1.7m)
Applied Digital to CoreWeave, North Dakota	Turnkey, landlord-built	250 MW rising to 400 MW, 15 years	c.\$7bn rising to c.\$11bn	c.\$1.85m (c. £1.4m)
Core Scientific to CoreWeave, 70 MW expansion	Modified site	70 MW, 12 years	\$1.225bn	c.\$1.46m (c. £1.1m)
London fitted capacity, 20 MW+	Fitted hall	per kW	up to £145 per kW, up 12% in a year	c.£1.74m if per month, on IT load
Segro and Pure, Park Royal	Fitted hall, c. £17.9m per MW to build	56 MW IT	"9 to 10% net yield on cost" as published	c.£1.6m to £1.8m net

The American figures are contract revenue over critical IT load and may bundle power pass-through and services; they are turnkey, not shell. They are precedent, not UK fact. The CBRE figure is a capacity price whose period is not stated in the release; per month is the industry convention.

CAPITAL PER MW, WHO FUNDS WHAT

Powered building, our model

£4m

£2.5m building + £1.5m works; connection in hand

US converted site, turnkey (TeraWulf)

£6-7.5m

\$8-10m per critical MW, Aug 2025

London fitted hall, Ofgem's assumption

£9.5m

Ofgem data-centre capex basis, Sep 2026

London fitted hall, Segro and Pure

£17.9m

c.£1bn for 56 MW IT, Park Royal

GPUs and kit, the operator's layer

£26m

c.£26m per MW on top of any hall

INCOME PER MW A YEAR

Powered building, our model

£0.75m a year

£750k per MW of firm supply

US converted site, turnkey (TeraWulf)

£1.39m a year

\$3.7bn over 200 MW and 10 years

London fitted hall, net (Segro and Pure)

£1.6-1.8m a year

9-10% net yield on cost, as published

London fitted hall, gross (CBRE)

£1.74m a year

up to £145 per kW, 20 MW+, per-month basis assumed

Capital per MW and income per MW a year across the first three layers, from the figures above. Our position carries the smallest capital for the smallest rent; the fitted layer is two to four times both; the compute layer is another £26m per MW, funded by the operator. Sterling at October 2026 rates; US and CBRE figures on the bases stated in the tables.

2.4 • THE AMERICAN CONVERSIONS

Mines, switch sites and exchanges, converted

The nearest precedent for buying power as a building is the United States in 2024 and 2025, where bitcoin miners, telecoms carriers and infrastructure funds turned existing powered sites into AI capacity faster than new capacity could be built.

1. **The miner conversion.** TeraWulf, Cipher, Applied Digital and Core Scientific owned sites with hundreds of megawatts of agreed supply, bought for mining when power was the only thing that mattered. They leased them on 10 to 25 year terms to neoclouds (Fluidstack, CoreWeave) at turnkey rents of roughly \$1.5m to \$2.3m per MW a year, funding the fit-out themselves at \$8m to \$10m per critical MW. In the Fluidstack cases Google guaranteed the tenant's lease in return for warrants over the landlord. The land and the power were bought at one price and leased at another.
2. **The switch-site conversion.** Cogent inherited Sprint's long-haul network and with it switch buildings with power and fibre in nine metros. It fitted six and asked \$10m to \$17m per MW for them; a buyer walked away wanting more than half the price on vendor finance; I Squared then bought ten for \$225m, \$4.25m per MW, to seed an inference and edge platform. The asking price and the price achieved were far apart, and the eventual buyer was an infrastructure fund assembling a platform of 5 to 8 MW sites. It is the closest precedent for the Openreach exchanges.
3. **The carrier sale-and-leaseback.** AT&T sold 74 central offices for \$850m and leased them back; Zipy is converting about 200 to colocation; Verizon is fitting some for inference. Telefónica in Spain has turned closed copper exchanges into 1 to 2 MW

edge nodes, 100 planned, with a €93m EU grant; FiberCop in Italy plans about 100. The telecom model is many 1 to 2 MW nodes, below our 5 to 15 MW target.

The counter-evidence. Savills' view is that retrofits are "less compelling than occupiers expect because the critical cost sits in M&E". That holds for a fitted hall, where the building is a small part of £9.5m to £18m per MW. It does not hold for a powered shell, where the landlord provides the building and the connection and the tenant funds the M&E. Our model depends on keeping that split between landlord and tenant.

2.5 • WHY NOW

Why a connection in hand is worth more each year

- **Time.** A new connection in London takes seven to thirteen years against three to seven elsewhere in Europe (Buro Happold for the GLA, December 2025). The queue reforms in chapter 1 shorten the wait for projects that pay and progress. They do not change the position of a building that already holds its supply, other than to make it rarer.
- **Demand.** Of the c.66 MW of London capacity completing in 2026, 96% was pre-sold (Savills); vacancy is about 8%. CBRE's London capacity price rose 12% in a year.
- **The landlords are leaving the shell.** Segro expects most future projects to be fitted halls in joint ventures; Tritax will only build its shell against a pre-let at 107 MW. The listed landlords are moving to larger, fitted schemes on longer timelines. Smaller shell schemes in existing buildings are left to others.
- **The exchanges are coming, slowly.** About 4,600 buildings with power and fibre leave BT's use from now to the early 2030s, through one landlord that has so far sold to housebuilders. The first exits have slipped a year. It is a channel to cultivate; it is not a supply that will reach the market before us.
- **Power is now priced as the asset.** Currie & Brown's 2026 note on adaptive reuse states that "power has become the defining constraint". QTS is putting up to 720 MW on the coal yards of Blyth power station. The hyperscalers buy powered land outright. A building with 5 MVA in its agreement now has buyers who were not looking for it before.

2.6 • WHAT IT MEANS FOR US

Buy at building prices, lease at power prices

- **The premium is real and sizeable.** In London the market puts £0.7m to £1.2m per MW on a connection before any building exists. A 10 MW building bought at its ordinary industrial value captures that premium on the day the DNO confirms the capacity. Rule 7 of the Edge method depends on that premium.

- **Our rent.** It is conservative against every fitted comparable because it buys less: £750k a MW on £4.0m against £1.4m to £1.8m on £9.5m to £18m. A tenant used to fitted pricing pays about 43% of the London rate for the power and funds the hall itself, which it usually prefers to control.
- **Say which megawatt.** Our rent is per MW of firm supply. A tenant will convert that to IT load at its own efficiency and compare with £ per kW. Put the conversion in the pack so the comparison is made on our basis.
- **The gap.** Nobody is doing 5 to 15 MW in existing buildings at scale. Gravity Edge is closest, at the fitted layer with BlackRock money. Segro and Tritax start at 50 MVA. TT Group sells to housebuilders. That is the gap shown in the table in section 2.2.
- **Vendor finance.** Cogent's buyers wanted more than half the price financed by the seller. When a converted site is asked at £7m to £13m per MW and the bidder wants vendor finance, the market does not accept that price for power in a building it did not choose. Our £4.0m sits where deals have closed.
- **Next steps.** Open a conversation with TT Group about the exchanges with real MVA before the 2028 batch. Put the land premium per MW on the appraisal sheet beside the purchase price, so every site shows what it was bought for and what its power is worth.

2.7 • SOURCES

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- Tritax: [DCD](#), [Construction Enquirer](#), [planning via Sharecast](#), [Baxtel](#)
- Harworth: [pipeline update Aug 2026](#), [Skelton Grange RNS](#), [DCD](#)
- Exchanges: [DCD analysis](#), [DCD on delays](#), [EG](#); our BT exchanges brief, 22 Oct 2026
- Land values: Savills via [trade press, Apr 2026](#) and [Allwork](#); Linklaters powered land per MW, 8 Jul 2026 (in our comparables note); Northern Virginia via [Data Center Knowledge](#)
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- Pricing: [CBRE, May 2026](#); Ofgem £9.5m per MW capex assumption via Linklaters, Sep 2026; Savills Spotlight UK Data Centres H1 2026 (vacancy, pre-sold share, retrofit view); Buro Happold for the GLA, Dec 2025 (connection times)
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- UKPN utilisation: [Utility Week](#)

Fitted hall

Layer 2. What a fitted data hall is and what it is sold in, who runs them in Britain and who owns those firms, what a megawatt of hall costs and who pays for each piece, how dense the racks are getting, and why the regional operators are the tenants to court. Chapter 3 of From power to answer.

IN SHORT

Landlord scope stops at the intake switchgear. Everything inside it belongs to the tenant.

1,803 MW

live in the UK, 91% in London

8%

vacancy; 96% of 2026 completions sold

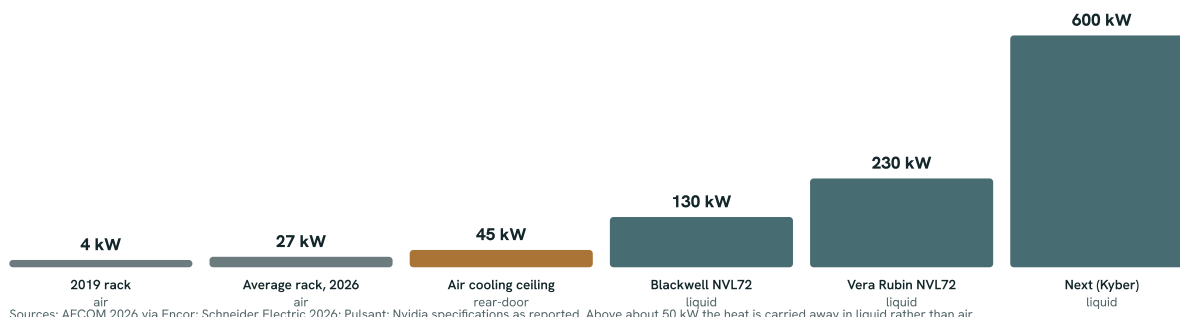
£145

per kW, London 20 MW+, up 12%

£0.5m to £1.3m

the landlord's share of a £9m hall

RACK DENSITY • KW PER RACK



Basis. Market study, no returns. Rent is £750k per MW of firm supply a year. Costs are "indicative" where derived from published shares of a whole-hall figure, and converted at £1 = \$1.33. Sources in section 3.8.

CHAPTER 3, IN SHORT

The hall carries the capital and the risk; we lease to it and stop at the intake

WHAT IT IS

Cooled, backed-up kilowatts

A fitted hall sells IT load by the kW a month with power passed through at cost. London capacity at 20 MW+ is up to £145 per kW, up 12% in a year. The UK has 1,803 MW live, 91% of it in London, 8% vacant.

WHAT A MW COSTS

c.£9m fitted, £26m with compute

Of a c.£9m London hall, the landlord's share is £0.5m to £1.3m: the connection, the intake and the building. Everything beyond the intake is the lessee's, and liquid cooling adds £1m to £2.5m more.

WHO

Campus operators and regional edge

Virtus, Equinix, Digital Realty, Vantage, Ark, Kao, Global Switch, Telehouse and Yondr run the big London halls. Pulsant, nLighten, Latos and Datum run 1 to 5 MW sites in the regions, and are buying sites.

FOR US

Lease to the operator; stop at the intake

A regional operator leasing our shell at £750k a MW and selling kW at the London rate has margin. The split at the intake switchgear keeps us a landlord. Density is the lessee's problem.

3.1 • WHAT IT IS

Kilowatts, with everything that keeps them on

A fitted hall is a powered site with the critical plant installed: the distribution and transformers beyond the intake, uninterruptible power supplies, standby generators, cooling, fire suppression, monitoring, carrier fibre and the racks themselves. The product is not space but **conditioned, backed-up IT load**, sold by the kilowatt per month with the electricity recharged at cost.

TERM	WHAT IT MEANS	WHY IT MATTERS TO THE MONEY
Wholesale colocation	Whole halls or suites, 1 MW and up, 10 to 15 year terms, to hyperscalers, neoclouds and large enterprises	1,163 MW of the UK's live capacity. Priced per kW; the customer brings its own racks and often its own operations team
Retail colocation	Racks or cages, 3 to 5 year terms, to enterprises and service providers	347 MW of live capacity. Higher price per kW, higher churn, more management
Power pass-through	Electricity billed to the customer at cost on metered consumption, "plus E"	The energy bill usually exceeds the base rent. It must never reach the landlord
PUE, power usage effectiveness	Total power drawn divided by IT power. 1.2 is good; 1.5 is old	Every 0.1 of PUE is a 10% difference in the customer's energy bill and in how much IT load one MW of supply can carry
Density	kW per rack	Decides whether air cooling will do and how many racks fit in a megawatt. See section 3.5
Availability	The uptime promised, typically 99.99% or better, backed by service credits	The generators, UPS and concurrent maintainability exist to meet it; most of the hall's capital goes on this

3.2 • WHO

Two tiers of operator in Britain

The campus operators run the London halls that hyperscalers and neoclouds lease at scale. The regional edge operators run 1 to 5 MW sites in the cities where enterprises and the public sector sit. The campus tier builds its own halls; the regional tier buys existing sites. Ownership is given where it could be confirmed from public sources.

Campus and wholesale operators

OPERATOR	OWNER	UK FOOTPRINT	WHO SITS IN THEIR HALLS	READ FOR US
Virtus	ST Telemedia Global Data Centres (Singapore)	Largest UK operator by capacity in the 2025 portfolio reports; London5 at Slough estimated at c.90 MW	Hyperscalers, large enterprise	Builds its own campuses at 50 MW+; not a shell tenant
Equinix	NYSE-listed REIT	Slough and Docklands campuses; bought the undeveloped 85-acre DC01UK site in Hertfordshire	Interconnection, enterprise, cloud on-ramps	Reference for retail pricing; builds its own
Digital Realty	NYSE-listed REIT	Crawley (LGW15 and 16, 24 MW across the campus) and London; CoreWeave's first UK landlord	Neoclouds, cloud, enterprise	Shows a neocloud will take fitted space from a REIT on day one for speed
Global Switch	Jiangsu Shagang Group with Avic Trust; sale attempts since 2021 stalled on price	London East and North, Docklands; CoreWeave's second UK site	Carriers, cloud, neoclouds	A legacy Docklands position with Chinese ownership that some customers screen out
Telehouse	KDDI (Japan)	Docklands; North Two at c.73 MW (secondary estimate)	Carriers and the London internet exchange	Fibre density no other UK site matches
Vantage	DigitalBridge and Silver Lake-backed, US	223 MW across 2.6m sq ft in the UK; Cardiff campus (£254m raised)	Hyperscalers	Wholesale at 50 MW+ per building

Ark Data Centres	Elliott Investment Management; TPG reported in talks to buy at c.\$5bn (c.£3.8bn), late October 2026; Crown Hosting joint venture with the Cabinet Office	27 UK and Belgian facilities; Cody Park and Longcross; £807m Longcross expansion for Nebius; 25 MVA "AI power hub" in Surrey	Government via Crown Hosting; Nebius	The public-sector channel, and a sale that will reprice UK halls
Kao Data	Infratil 53%, Legal & General Capital 32%, Goldacre NOÉ 15% (2023 split)	Harlow campus; Stockport 40 MW consented; Manchester £350m due 2026	Nebius (22 MW, ten years), Ori, Civo	The neocloud landlord of choice; it knows every tenant on our list
Yondr	DigitalBridge-backed	Slough 100 MW campus; first 10 MW live April 2025; £532m green securitisation February 2026	Hyperscalers	Shows the debt market will lend against fitted halls
CyrusOne, Colt DCS, Green Mountain	KKR and GIP; Fidelity; Azrieli	Iver Heath 90 MW planned; Hayes; LON-East Romford, where a neocloud took 14 MW in September 2026	Hyperscale, enterprise, neocloud	Secondary references

Regional edge operators

OPERATOR	OWNER	FOOTPRINT	WHAT THEY HAVE DONE LATELY	READ FOR US
Pulsant	Antin Infrastructure Partners (since 2021)	14 UK sites, platformEDGE; revenue c.£126m and EBITDA c. £24m in the latest figures a data vendor lists, year unstated	Bought two SCC sites (Birmingham c.2 MW, Fareham c.3 MW) in 2025; £187m facility refreshed October 2025 for acquisitions; 1.2 MW AI-ready hall at Milton Keynes, £1m into Birmingham for inference; customer racks up from c.4 kW to 10 to 20 kW	Buys sites of our size with fresh debt and is retrofitting for density
nLighten	I Squared Capital, with more than \$500m (c.£375m) of committed equity; owns Proximity Data Centres in the UK (bought 2023, price undisclosed)	Ten UK edge sites from Proximity plus Europe	£100m UK programme; £85m financing led by Rivage, March 2026; Bristol refit for AI density, June 2026	Pitches inference at the edge; acquisitive in the regions
Latos Data Centres	Founder-led; investors not disclosed online	Cardiff: three buildings, 90 MVA, under construction; Stockton-on-Tees £100m approved; East Manchester application	Targets 40 sites by 2030 with modular edge for AI	A pipeline model that needs sites; funding to be tested
Datum Datacentres	Ownership not confirmed online	Farnborough; two Manchester sites	1 MW hall expansions	Too small to take 10 MW alone
Gravity Edge	BlackRock and DGP	Camberley, to 20 MW	Strategy of 5 to 20 MW sites with under-used	Closest strategy to ours, one layer up

3.3 • HOW THEY MAKE MONEY

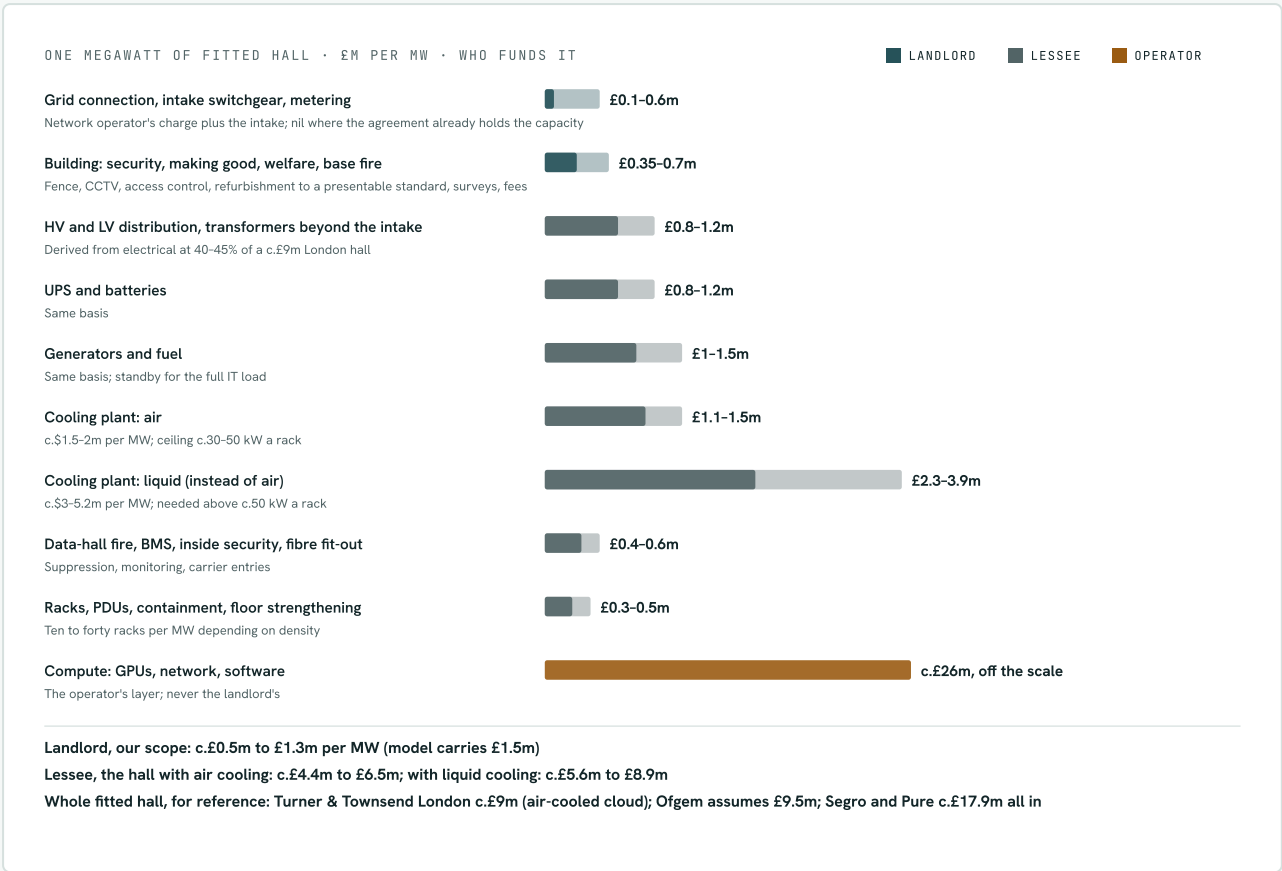
The hall's economics

MEASURE	FIGURE	SOURCE AND DATE
UK live capacity	1,803 MW; London 1,637 MW (91%)	Savills, June 2026
Of which wholesale / retail	1,163 MW / 347 MW	Savills, same
Vacancy	8% UK, 7% London (27% in 2016)	Savills Q1 2026; CBRE sees London at 5.9% by year end
Take-up	217 MW in 2025; 19 MW in Q1 2026	Savills; CBRE expects London above 200 MW in 2026
Under construction, UK	242 MW; c.66 MW completing in 2026, 96% pre-sold	Savills, June 2026
Price, London 20 MW+ new capacity	up to £145 per kW, up 12% in a year	CBRE Q1 2026; providers raised prices at least 10% for buyers of 10 MW+ to cover build costs, and are raising indexation rather than headline rates
Build cost, London, air-cooled cloud hall	\$12.0 per W (c.£9m per MW)	Turner & Townsend 2025-26 index; AI premium 7 to 10% (US data)
Build cost, Ofgem's planning assumption	£9.5m per MW	Ofgem, via Linklaters, September 2026
Build cost, fully fitted, Segro and Pure	c.£17.9m per MW; "9 to 10% net yield on cost"	Segro RNS, 2025
Site margin on a turnkey lease	c.85% NOI margin expected	TeraWulf, Lake Mariner, August 2025 (US precedent)
Retrofit for liquid cooling	c.\$2m per MW against \$11m+ greenfield	STL Partners, May 2026; a contrary view calls dense retrofits "reconstruction, not incremental retrofit"

A London hall costs £9m to £18m a megawatt to fit and earns up to £1.7m a megawatt a year gross at the CBRE rate, with power passed through. The operator's margin is the gap between that rent and its cost of capital. The margin is wide while vacancy is 7% and every completing megawatt is pre-sold. The risk sits in the plant, which is bespoke to a density and a cooling method that change every two years. A hall fitted for 10 kW racks in 2022 is being refitted for 100 kW racks in 2026.

One megawatt of hall, and who pays for each piece

The figure below splits a fitted megawatt into its parts, with the landlord's items in teal and the lessee's in grey. The landlord's figures are from our own scope table; the lessee's are derived from the published shares of a c.£9m London hall (electrical 40 to 45%, cooling about 20%) and the cooling-method ranges quoted in 2026, so they are indicative and will vary by site.



LANDLORD PROVIDES (OUR SCOPE)	LESSEE PROVIDES
The connection: network operator's charge, intake switchgear and metering at the point of supply	HV and LV distribution and transformers beyond the intake
Security: fence, gates, CCTV, access control	UPS and batteries; generators and fuel
Making good and refurbishment to a presentable standard	Cooling plant, air or liquid; dry coolers, pipework, CDUs
Welfare: toilets, kitchen, offices	Data-hall fire suppression, BMS, inside security
Base-building fire compliance; asbestos and surveys; planning	Floor strengthening for racks; fibre fit-out and carrier entries
Fees and contingency	Racks, PDUs, containment, and the compute itself

The split at the intake switchgear defines our scope. On the landlord's side, c.£0.5m to £1.3m per MW with £1.5m carried; on the lessee's, £4m to £9m before a single GPU. The lease must set out where the split falls, in terms a lender's engineer can check.

Space is not the constraint. One megawatt at today's average density of 27 kW a rack is about 37 racks; at AI densities of 120 to 230 kW it is five to eight. With coolers, a megawatt needs roughly 650 sq ft. A 10 MW tenant needs about 6,500 sq ft of a building that may have 60,000.

3.5 • DENSITY

Racks are now denser than air-cooled rooms were built for

WHAT	KW A RACK	COOLING	SOURCE
Average rack, 2026 survey	27 (16 a year earlier)	Air	AFCOM 2026, via tenant advisory
Pulsant's customers	10 to 20 (from c.4)	Air, rear-door exchangers	Pulsant, 2026
Air cooling, practical ceiling	30 to 50	Rear-door heat exchangers at the top of the range	Several 2026 sources
Nvidia GB200 NVL72	c.120 to 132	Direct-to-chip liquid	2025-26 specifications, figures vary
Nvidia Vera Rubin NVL72	c.190 to 230	Liquid	Schneider Electric, May 2026
Inference, by model size	under 20 to 140	Air to liquid	Schneider Electric, July 2026

The cooling decision belongs to the lessee. Whether a hall is air or liquid follows from the tenant's hardware, and it is their £1m to £4m a megawatt, not ours. Liquid cooling at the chip also makes the building less important. The heat is captured in a loop and rejected outside through dry coolers, so the room no longer has to move large volumes of air. An ordinary industrial shell with floor strength, a yard for coolers and a firm supply is a better host for a 2026 rack than a 2015 data hall built for air.

3.6 • WHY NOW

Consolidation, density and a seller's market

- The market is tight. Vacancy is 7% in London, 96% of the 2026 completions are pre-sold, and prices are up 12% with indexation rising. Operators can choose their tenants.
- The regional tier is consolidating with new money: Pulsant's £187m facility, nLighten's £85m and I Squared's \$500m, Gravity Edge's BlackRock backing, Latos's 40-site target. Each needs sites. None of them develops shells itself.
- The top tier is changing hands. Ark, with the Crown Hosting channel, is reported in talks with TPG at c.£3.8bn. Global Switch's owners have been trying to sell since 2021. The next owners will pay for growth, and growth needs megawatts that already exist.
- Density is forcing refits. The move from 10 kW to 100 kW racks means every operator is now retrofitting. A retrofit at \$2m a MW in a building that already has power is cheaper than a greenfield at \$11m that does not.

- Neoclouds pay the premium and move fast. CoreWeave took Digital Realty and Global Switch halls to be live in months; Nebius took 22 MW at Kao on ten years; an unnamed neocloud took 14 MW at Romford. Compute lands in the fitted layer first because that is where it can be live this year.

3.7 • WHAT IT MEANS FOR US

The fitted layer is our tenant, and its numbers are our reference

- **Two tenant types.** A neocloud takes the shell and fits it for itself (chapter 4). A colocation operator takes the shell, fits it, and sells kW to several customers. The second is the better covenant and the more re-lettable hall; the first pays more and moves faster. The lease heads should work for both.
- The sums work for a regional operator. On our shell at £750k a MW, an operator that fits for £5m to £7m and sells near the London rate of £1.7m gross has hall economics the campus operators would recognise, in a building they would not have considered. That is the pitch to Pulsant, nLighten and Latos, and it should be made in their numbers, not ours.
- The split at the intake switchgear must be written into the lease. Everything in the grey bars of the anatomy is the lessee's to fund, maintain, refresh and remove. Everything in the teal is ours. A lease that leaves the split vague ends with the landlord owning chillers.
- Design for the yard, not the room. Liquid cooling rejects heat outside. A building with a secure yard for dry coolers and a floor that takes a 1,500 kg rack is a 2026 hall; a 2015 air-cooled hall is not. Our screening should weight the yard and the slab, not the raised floor.
- Ask for PUE and density in the first meeting. They decide how much IT load our firm MW carries, and so what our rent is worth to the tenant per kW. A tenant at PUE 1.2 gets 0.83 MW of racks from our megawatt; at 1.5, 0.67. The more efficient operator can afford our rent more easily.
- Watch Ark and Kao. Ark's sale sets a price for UK halls with a public-sector channel; Kao's landlord-of-choice position shows what the neoclouds want in a host. Neither will lease a 10 MW shell in Kent, but both will tell us what their tenants pay.

3.8 • SOURCES

- Market: [Savills, June 2026](#) and [Savills Spotlight UK Data Centres H1 2026](#); [CBRE European Data Centres Figures Q1 2026](#); [CBRE midyear review 2026](#)
- Costs: [Turner & Townsend index 2025-26](#); Ofgem capex assumption via [Linklaters](#), Sep 2026; [STL Partners](#), May 2026; cooling and electrical shares via [COR Advisors](#) and [Encor](#); Segro RNS 2025 for Park Royal

- Density: AFCOM 2026 via Encor; Schneider Electric, Jul 2026; Schneider on Vera Rubin, May 2026 (in our demand note)
- Operators: Kao Data shareholders, L&G 2023; Ark and Elliott, DCD, TPG talks, Oct 2026, Crown Hosting; nLighten and I Squared, Proximity; Pulsant profile, Pulsant financing; Latos Cardiff; Global Switch; Vantage UK; Yondr; Equinix DC01UK
- Leases: BCLP on shell-and-core structures; Mayer Brown
- Landlord scope: our scope table of 26 October 2026 (£0.46m to £1.3m per MW)

Compute

Layer 3. The firms that own the chips: who they are in Britain, how they are funded, what a GPU earns and loses over its life, who stands behind them, and who has already stumbled. Our tenant sits in this layer. The question for us is whether it will still be paying in year eight. Chapter 4 of From power to answer.

IN SHORT

The tenant's chips wear out in three to six years. We underwrite its contracts, not its brand.

£26m

of chips per megawatt

\$2.6 to \$4.2

an H100-hour, October 2026

\$50bn

CoreWeave's debt; bonds above 16%

80%

of neoclouds to lose independence by 2030, Gartner

NSCALE'S PROSPECTUS IN EIGHT NUMBERS • S-1, 18 SEP 2026

\$140.6m

revenue, H1 2026

\$1.02bn

net loss, H1 2026

\$103.4bn

contracted value

461,000

GPUs active or contracted

52%

revenue from one customer

not yet

binding financing for the contracts

2030s

power at Loughton, per UKPN

\$860m

of its rent Nvidia guarantees in Texas

Basis. Market study, no returns. Company figures are as filed or announced, with sterling in brackets at £1 = \$1.33. "Our arithmetic" is marked where we have derived a per-MW or per-GPU figure from a published total. Sources in section 4.8.

CHAPTER 4, IN SHORT

Great contracts, thin balance sheets, and a chip that halves in price

WHAT IT IS

GPU-hours, sold forward

A megawatt of H100-class compute costs c.£26m to buy and earns c.£7m to £20m a year gross at 70% busy, depending on a rental price that fell from c.\$8 an hour in 2023 to c.\$2 in 2025 and sits at \$2.6 to \$4.2 today.

HOW THEY ARE FUNDED

Contracts first, chips as collateral

Hyperscaler take-or-pay contracts, GPU-backed loans now rated investment grade, vendor leases, and Nvidia renting back unused capacity. A refinancing wall sits in 2026 to 2028.

WHO, IN BRITAIN

Nscale, Nebius, CoreWeave, Civo, Radiant

One is filing to list on \$140m of half-year revenue and a \$1bn loss; one has £1.7bn committed here; one has \$50bn of debt and bonds yielding 16%; one is founder-owned with a 1 GW plan; one is Brookfield's.

FOR US

Underwrite the customer, not the tenant

A neocloud's credit is its contract book and whoever stands behind it. Our lease should test both: customer concentration, any backstop, whether the financing is in place, and a re-let right if it is not.

4.1 • WHAT IT IS

The unit is a GPU-hour, and the asset wears out

A compute operator buys accelerators, racks them in a hall, and sells their time: by the hour on demand, by the month reserved, or by the year and the cluster under a take-or-pay contract with a hyperscaler or a lab. The unit of sale is a GPU-hour; the unit of capacity is still a megawatt, because the chips are bought to fill a power budget.

GENERATION	RACK	POWER A RACK	GPUS A MW, OUR ARITHMETIC	RENTAL, ON DEMAND, OCT 2026
Hopper H100 / H200 (2023– 25)	8-GPU servers, air or rear-door cooled	c.10 to 40 kW	c.800 to 1,000 at c.1 to 1.2 kW a GPU all in	\$2.6 to \$4.2 an hour median; \$1.6 on the SF Compute market; \$7 to \$12 at hyperscalers
Blackwell GB200 NVL72 (2025–26)	72 GPUs, liquid cooled	c.120 to 132 kW	c.550	c.\$8 median; \$2 to \$6 by tier and term
Vera Rubin NVL72 (2026– 27)	72 GPUs, liquid	c.190 to 230 kW	c.330 to 380	\$9.50 median for B300, Rubin not yet quoted

Rental figures from the Uvik index of 7 October 2026 and the IntuitionLabs comparison, both vendor-maintained; treat as indicative. Each generation puts fewer, dearer chips in a megawatt and asks the hall for liquid cooling.

4.2 • WHO

The compute operators in Britain

WHO	WHAT THEY ARE	IN BRITAIN	MONEY AND RISK, AS PUBLISHED	READ FOR US
Nscale	UK neocloud, founded 2024, Nvidia holds over 5%; filed an S-1 on 18 September 2026 to list on the NYSE	Loughton 50 to 90 MW, grid-delayed to the 2030s, lost Microsoft as anchor 18 October 2026 and says it is looking at other power; three BT sites, 14 MW; Stargate UK with OpenAI; sovereign pitch	H1 2026 revenue \$140.6m (c. £106m), net loss \$1.02bn (c. £770m), of which \$457m currency; \$103.4bn (c. £78bn) of active and contracted value over c.461,000 GPUs; Microsoft up to \$43.8bn, Anthropic up to \$44.6bn, both conditional on delivery; largest customer 52% of revenue; "has not yet obtained binding commitments for the financing" of the GPUs and sites those contracts need	The strongest demand in Britain; its prospectus also sets out the layer's risk more clearly than any other source. A tenant whose contracts exceed its financing needs a site with power now
Nebius	Amsterdam-headquartered, Nasdaq-listed; Microsoft (\$17.4bn, New Jersey) and Meta contracts	£1.7bn UK programme announced 8 June 2026; 22 MW at Kao Harlow on ten years, hosting its cloud and the Token Factory inference service; three UK clusters, reported at 65 MW by 2027;	Listed, with hyperscaler take-or-pay behind it; takes fitted halls, not shells	The best-funded tenant for a fitted hall in Britain; a second-pass call, not a first

also Ark
Longcross

CoreWeave

Nasdaq-listed US neocloud, the sector's bellwether

Docklands (Global Switch), Crawley (Digital Realty), Scotland (DataVita); c. £2.5bn UK commitment; "leases rather than builds" for speed

Debt \$35bn at 30 June 2026 and c.\$50bn (c. £38bn) by October; shares fell c.15% in the week of 14 October as 2031 bonds yielded above 16% and credit default swaps implied high default odds; backlog \$104bn (c. £78bn); Nvidia committed to buy unsold capacity to April 2032; its \$8.5bn facility was rated investment grade on the strength of the contracts behind it

A \$100bn order book has not settled the credit question. Its cost of capital is a guide to the pricing of every neocloud lease

Civo

Stevenage cloud provider, founded 2015, founder-led; THG took a minority stake in 2021 (c.£1.4m); no venture round found

40 UK edge sites planned at c.1 GW combined; first 8 MW in Hertfordshire rising to 38 MW; five more sites of 150 MW secured in Lancashire, Greater Manchester, London and Oxfordshire; "inference at the edge rather than training overseas";

Financing for the 1 GW programme is not disclosed; it is the first question to ask

The closest match to our size and thesis, and the thinnest public balance sheet on the list. A natural tenant if a backstop or a partner stands behind it

hosted at Kao today				
Radiant (Ori)	Brookfield's AI cloud unit, formed by merging with UK neocloud Ori in February 2026 at a reported \$1.3bn (c.£1bn) valuation; part of a \$10bn Brookfield AI infrastructure fund with Nvidia among the backers	Ori's first UK region at Kao Harlow; Ori had £42.5m of net assets at end-2024 and c.\$100m of vendor lease finance for its GPUs	Aimed at sovereign governments, enterprises and telecoms on long contracts, on Nvidia's DSX design	Brookfield money behind a UK operator is a covenant a lender can accept
Fluidstack	Neocloud; headquarters moved from London to New York, December 2025	None current; left a €10bn French project to focus on US gigawatt sites with Anthropic and Google	c.\$750m raised at \$7bn, April 2026; reported borrowing capacity of up to \$10bn from Macquarie and others, undisclosed by the company; Google backstops its leases at two US sites	The template for the backstop structure, not a UK tenant
Lambda	US GPU cloud	No UK site found	\$926m term loan B rated Baa2, September 2026, the first investment-grade syndicated loan to a private neocloud; c.\$1.5bn Nvidia lease-back	Shows GPU debt going mainstream
DataVita	Scottish operator	Lanarkshire AI Growth Zone, up to 500 MW;	\$406m (c. £305m)	The Growth Zone model: too big and

		CoreWeave's Scottish host	financing, August 2026	too far for us; a reference
The hyperscalers' own regions	Microsoft, Google (£5bn UK), Amazon	Own campuses and leased halls; also the main buyers of neocloud capacity (Microsoft c.\$33bn of neocloud contracts)	Investment grade	Not a tenant for a 10 MW shell; often the credit behind one
Sovereign compute	The state as operator	Isambard-AI, Bristol: 5,444 H100s, eleventh in the world in November 2025; Dawn at Cambridge, a six-fold upgrade for £36m; the AI Research Resource to grow twenty-fold by 2030 under a £1bn roadmap; a £500m Sovereign AI Unit; a c.£250m AIRR cloud-compute contract tendered in 2026 for a prime to subcontract to several cloud providers	Public money, slow procurement	Demand our tenants can sell into; not a tenant

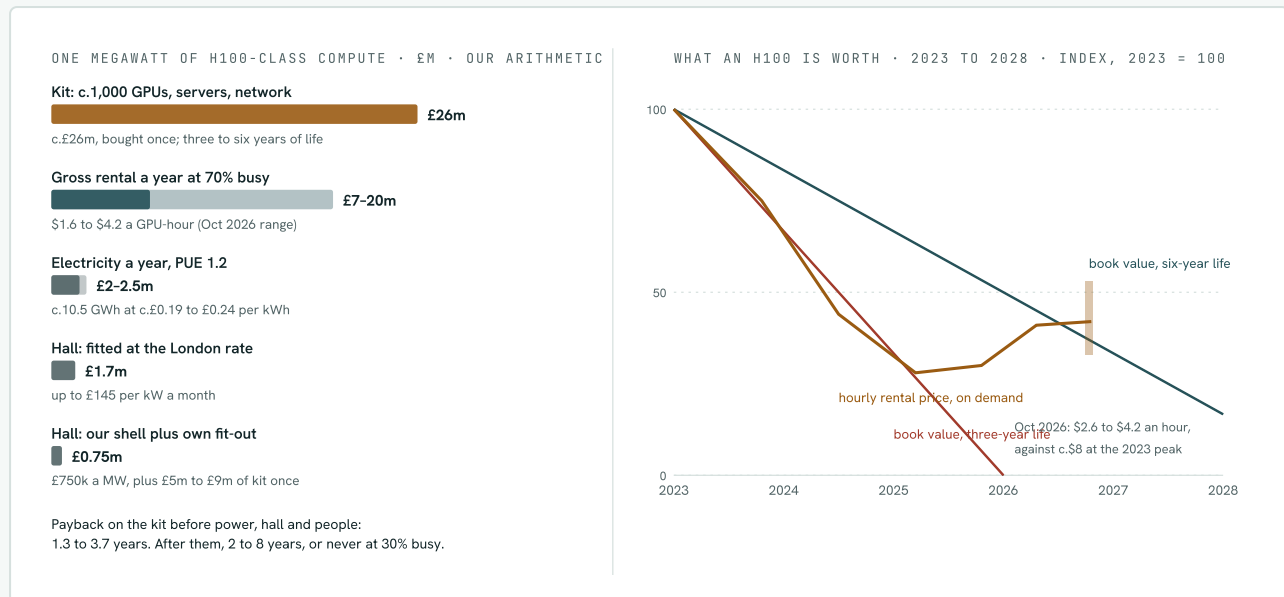
4.3 • HOW THEY ARE FUNDED

The capital stack of a GPU

LAYER OF MONEY	WHO PROVIDES IT	EVIDENCE, 2026	WHAT IT DEPENDS ON
Take-or-pay contracts	Hyperscalers and labs	Microsoft c.\$33bn across neoclouds; Nscale's \$43.8bn and \$44.6bn agreements; Nebius \$17.4bn; CoreWeave's \$104bn backlog	Delivery on time. Most are conditional on the capacity existing, which depends on power
Venture and public equity	Funds, Nvidia, the market	Nscale c.£1.5bn Series C at c. £11bn and an IPO; Fluidstack \$750m at \$7bn; Nvidia stakes in CoreWeave, Nebius, Nscale	Sentiment. The October 2026 sell-off repriced the layer in a week
GPU-backed debt	Private credit, now banks	Sector estimate above \$20bn; CoreWeave's \$8.5bn delayed-draw facility rated investment grade in March 2026; Lambda's \$926m Baa2 term loan in September; Fluidstack's reported \$10bn capacity	Contracted cash flows and the chips' resale value. Lenders lend against the contract, then the collateral
Vendor and lease finance	Equipment lessors, Nvidia	Ori's c.\$100m from a lessor; Lambda's \$1.5bn Nvidia lease-back	The lessor's view of residual value
Vendor backstop	Nvidia	From 1 July 2026 Nvidia rents back unused capacity from partner neoclouds at a fixed rate, giving lenders a utilisation floor; its commitment to CoreWeave runs to April 2032; reports of up to \$125bn of backstop within a \$500bn financing platform	Nvidia's own balance sheet and its interest in keeping buyers solvent. Critics call it circular
Customer backstop	Google, so far	Lease guarantees at TeraWulf and Cipher in return for warrants over the landlord (chapter 5)	The end customer needing the capacity enough to carry the operator's credit risk

The money follows the contract. A neocloud with a signed hyperscaler agreement can borrow; one without cannot, whatever its chips are worth. Maturities are also short. Analysts describe a refinancing wall in 2026 to 2028, as GPU loans fall due before the contracts behind them have paid out. A lease we sign in 2027 puts its tenant inside that window.

What a megawatt of chips costs, earns and is worth



Our arithmetic from published prices: c.1,000 H100-class GPUs in a megawatt at c. £26k installed; rental at \$1.6 to \$4.2 an hour; 70% utilisation; UK commercial power at c.£0.19 to £0.24 per kWh with PUE 1.2. The right-hand panel indexes the on-demand H100 price to its 2023 peak and overlays straight-line book value at three and six years. Vendor indices, not audited figures.

The return on a megawatt of chips depends on rental price, utilisation and depreciation. The rental price fell about 75% from the 2023 peak to 2025 and has since risen: the one-year H100 contract index was up 38% between October 2025 and March 2026, and several first-party list prices rose again in the autumn. Utilisation decides how much of that price is earned. 81% of enterprises report their GPUs busy half the time or less, one vendor claims about 5% in practice, and UK Power Networks sees data centres draw only 30 to 40% of the capacity they hold. Depreciation is disputed. The hyperscalers book servers over five and a half to six years; some neoclouds use three. A well-known short-seller claims the industry has understated depreciation by c.\$176bn for 2026 to 2028. The defence is that older chips move from training to inference and keep earning; CoreWeave has said expiring 2022-vintage H100 contracts re-booked at 95% of the original price.

A megawatt of chips must earn back c.£26m in three to six years while paying c.£2m to £2.5m a year for power and £0.75m to £1.7m for the hall. At today's prices and 70% utilisation it does, with margin to spare. At 30% utilisation, or at the 2025 trough price, it does not. The hall rent is the smallest number in the stack. A tenant in trouble therefore stops paying the landlord last and resumes first, because the chips cannot run without the hall's power.

Consolidation, not yet collapse

- No named neocloud bankruptcy was found in 2026. The casualties so far are projects and plans: Microsoft left Loughton for want of power; Fluidstack left France; Microsoft cancelled c.200 MW of US leases in 2025.
- The exits to date are mergers and asset sales: Ori into Brookfield's Radiant; Cogent's converted sites to I Squared at \$4.25m a MW after asking \$10m to \$17m; a small listed company signing a letter of intent for a GPU cloud's assets.
- Forecasts point to heavy consolidation. Gartner expects more than 80% of neoclouds to cease independent operation by 2030; executives quoted in The Information see seven to ten survivors from more than 300 providers, a count up 55% in a year; a prominent founder predicts "more than 200" failures. These are forecasts, not events.
- CoreWeave, the sector's bellwether, is stressed rather than broken. Its bonds traded like distressed debt in October 2026 while its chief executive called the market irrational and Nvidia's chief said no backstop was needed. The contracts are real and the leverage is high.
- Exposure is concentrated. Nscale's largest customer is 52% of revenue, and its two biggest agreements are conditional on delivering capacity it has not yet financed.

4.6 • WHY NOW

Why the chips still come to Britain

- Inference is served close to its users. Deloitte expects inference to be about two-thirds of AI compute in 2026; McKinsey's inference demand rises from c.21 GW to c.93 GW by 2030, built "in greater metro and surrounding areas". Nebius's Token Factory at Harlow and Civo's 40 planned sites are examples of this in Britain.
- Sovereignty is a buying rule. The AI Research Resource's twenty-fold expansion, the £500m Sovereign AI Unit and the public sector's procurement frameworks create demand that must be served onshore, by operators who can prove where the data sits.
- Nvidia is supporting the neoclouds. Equity stakes, the capacity rent-back from July 2026, the CoreWeave commitment to 2032 and the reported \$125bn backstop amount to a vendor underwriting its own channel. For our tenants that is a utilisation floor a lender can see.
- Power decides who delivers. Nscale's contracts are conditional on capacity; Loughton shows what happens when the capacity does not come. A chip without a connection earns nothing.

4.7 • WHAT IT MEANS FOR US

Will they still be paying in year eight?

- Underwrite the contract book, not the brand. Ask every bidder for contracted value, customer concentration, the share that is conditional on delivery, and whether the financing for that delivery is signed. Nscale printed all four in its prospectus; a private bidder should be held to the same standard.
- Prefer tenants whose debt is investment grade, or whose customer is. A CoreWeave facility rated on its contracts, a Lambda loan at Baa2, a Brookfield-backed Radiant and a Nebius with Microsoft behind it are different credits from a founder-owned operator with a 1 GW plan and no disclosed funding, however close its thesis is to ours.
- Ask who stands behind the lease. The vendor backstop covers the chips' utilisation; the customer backstop covers the rent. Chapter 5 sets out the Google structure. Ask the question at the first meeting.
- Price the refinancing wall. Our leases start in 2027, inside the 2026 to 2028 window. Where a covenant needs it, a rent deposit or guarantee covering the first two years is cheap insurance against a tenant whose loan falls due before its contract pays.
- Write the re-let right for a chip-owner's exit. If a neocloud fails, the chips belong to its lenders and the hall is stranded. The lease needs the landlord's right to re-let, a short cure period, and a clear line on what the departing tenant removes and what it leaves. The hall fit-out, if left behind, has value to the next operator. The chips will belong to the lenders and should not be counted.
- Keep the £750k in proportion. Our rent is the smallest number in a tenant's stack: about a thirty-fifth of the kit, a third of its power bill. It is affordable in good years and the last cost cut in bad ones. The covenant question is therefore whether the tenant survives, not whether it can pay us.

4.8 • SOURCES

- Prices: [Uvik GPU price index, 7 Oct 2026](#); [IntuitionLabs H100 comparison](#); [Spheron, Oct 2026](#); SF Compute pricing via chapter 0 sources
- Nscale: [S-1 announcement](#), [Computing](#), [Techstrong](#); Loughton: [Windows Central](#), [Baxtel](#); BT: [DCD](#)
- Nebius: [Kao Data, 8 Jun 2026](#), [IT Brief](#), [Microsoft deal](#)
- CoreWeave: [Reuters via Taipei Times, 18 Oct 2026](#), [Admiral Markets](#), [Capacity, debt at \\$35bn](#); UK sites: [Tech.eu](#)
- Civo: [Civo newsroom, Sep 2026](#), [THG investment, 2021](#)
- Radiant and Ori: [Reuters via The Star](#), [DCD](#), [lease finance](#)
- Funding: [Lambda term loan](#), [GPU debt as an asset class](#), [Microsoft \\$33bn](#), [Fluidstack](#), [DataVita](#)
- Depreciation: [SiliconAngle, Nov 2025](#), [Barchart](#), [DCD on neocloud economics](#)
- Failures and forecasts: [Gartner via ExplainX](#), [The Information via AI Weekly](#), [TechSpot](#); utilisation: [VentureBeat, Sep 2026](#) and [Cast AI](#) (in our demand note); UKPN

via Utility Week

- Sovereign: [Isambard-AI, one year](#), [Computer Weekly on the compute roadmap](#), [AIRR cloud procurement](#), [Dawn](#)
- Demand: Deloitte TMT Predictions 2026; McKinsey, Dec 2025 (in our demand note of 26 Oct 2026)

Capacity sale

Layer 4. How a GPU owner finds a buyer, who the buyers are, what sits between them, and the credit structures that have started to stand behind the operator's lease. This layer decides whether our tenant's rent is a bankable cash flow. Chapter 5 of From power to answer.

IN SHORT

Buyers have begun to guarantee operators' leases. Ask every bidder who stands behind theirs.

\$60bn

Microsoft's neocloud contracts

\$860m

of Nscale's rent Nvidia guarantees

414 MW

sold to neoclouds in Europe, 9M 2025, from 133

£250m

the state's research-compute contract

THREE FORMS OF CREDIT SUPPORT BEHIND AN OPERATOR

A · The customer backstops the lease

Google and Fluidstack, 2025

On default, Google pays the fee or assumes the lease. Three US sites, \$1.8bn to \$3.2bn, \$1.4bn, \$1.3bn. Paid for in warrants over the landlord.

B · The chipmaker guarantees the rent

Nvidia, Nscale and Ionic, 2025

Nvidia guarantees up to \$860m of Nscale's rent on a 234 MW Texas lease for \$60m of warrants; more warrants if Nscale defaults.

C · The chipmaker rents back the capacity

Nvidia, from 1 July 2026

Unused capacity rented back at a fixed rate: a utilisation floor lenders can see. CoreWeave's cover runs to April 2032.

None of the three has been seen in Europe. CBRE: European operators charge neoclouds higher rent instead.

Basis. Market study, no returns. Contract values are as reported, with sterling in brackets at £1 = \$1.33; where sources conflict, both figures are given. "Our

CHAPTER 5, IN SHORT

Buyers have begun to guarantee operators' leases

WHAT IT IS

Four routes to a buyer

Take-or-pay contracts with hyperscalers and labs; direct sales to enterprises and the state; marketplaces and brokers; and inference platforms that rent capacity and resell it by the token.

THE STRUCTURES

Backstops, guarantees, rent-backs

Google guarantees Fluidstack's leases for warrants over the landlord. Nvidia guarantees up to \$860m of Nscale's rent to a Texas landlord for \$60m of warrants, and rents back unused capacity. Nothing like it in Britain yet.

WHO BUYS

Five companies, mostly

Microsoft has committed c.\$60bn (c. £45bn) across neoclouds; Meta, OpenAI and Anthropic tens of billions more. In Britain the state buys through Crown Hosting, G-Cloud 15 and a £250m research-compute contract.

FOR US

Ask for the credit support

In the money-flow diagram the rent is the smallest flow. The credit support behind the lease is what a lender prices. Ask every bidder what credit support stands behind them.

5.1 • WHAT IT IS

Four ways to sell a megawatt of chips

ROUTE	WHO BUYS	CONTRACT	SHARE OF THE MARKET	WHAT IT MEANS FOR THE OPERATOR'S CREDIT
Take-or-pay	Hyperscalers and frontier labs	Three to fifteen years, paid whether or not the cluster is used, often with prepayments, conditional on delivery	The bulk by value: CoreWeave's \$104bn backlog, Nscale's \$103bn of contracted value	Turns revenue into a receivable a lender will finance. Concentration is the price
Direct enterprise and sovereign	Banks, pharma, media, universities, the public sector	Reserved capacity by the month or year; public frameworks	Growing; the UK's sovereign programme is one of the largest public buyers in Europe	Diversified but slower to sign and smaller per deal
Marketplaces and brokers	Developers, start-ups, anyone with a burst	By the hour; resale of unused reserved capacity	Small by value, large by count; SF Compute, Nvidia's Lepton, Vast.ai, Shadeform	A utilisation top-up, not a covenant
Inference platforms	Application companies that want tokens, not GPUs	Per million tokens or per GPU-minute; the platform rents capacity from operators and resells it	Together AI c.\$1.15bn of bookings; Fireworks above \$1bn annualised; Baseten c.\$600m to \$1bn	A large, fast-growing wholesale buyer of neocloud capacity, with venture money behind it

5.2 • WHO

The buyers

BUYER	WHAT THEY HAVE COMMITTED, AS REPORTED	IN BRITAIN	READ FOR US
Microsoft	c.\$60bn (c.£45bn) across CoreWeave, Nebius (\$17.4bn to \$19.4bn, New Jersey), Nscale (up to \$43.8bn, conditional), IREN (\$9.7bn, five years, 20% prepaid) and Lambda (undisclosed, multi-billion); booked as operating cost, not capex	Left Nscale's Loughton site in October 2026 for want of power while remaining Nscale's largest customer; own UK regions	The largest buyer of neocloud capacity in the world, and the one that walked away from a UK site because the grid was late
Meta	CoreWeave \$14.2bn (September 2025) and a reported c.\$21bn expansion to December 2032 (April 2026); Nebius c.\$27bn with c.\$12bn in the first five years	No UK neocloud deal found	Sets the scale of a single take-or-pay
OpenAI	CoreWeave \$22.4bn in 2025 across three agreements; Oracle and Stargate; Stargate UK with Nscale, Nvidia and Arm (September 2025), reported paused in 2026	Stargate UK's status is unclear in the public record	A lab that signs with neoclouds, and whose UK plans depend on Nscale delivering power
Anthropic	Nscale up to \$44.6bn (conditional); CoreWeave multi-year from April 2026, undisclosed, analysts \$4bn to \$7bn over five years; Lambda multi-year; US sites with Fluidstack	Via Nscale's UK contracts, if delivered	Conditional on capacity existing; the same dependency on power
Google	Buys through Fluidstack and backstops its leases (TeraWulf \$1.8bn rising to \$3.2bn; Cipher \$1.4bn; the Texas joint venture \$1.3bn); £5bn UK commitment	Own UK regions	Originator of the backstop structure we want
The UK public sector	The AI Research Resource growing twenty-fold by 2030 under a £1bn roadmap; a c. £250m cloud-compute contract tendered in 2026 for a prime to buy from several providers; the £500m Sovereign AI Unit granting GPU hours; Crown Hosting (Ark's joint venture with the Cabinet Office) winning departmental	All of it	Demand that must be served onshore by operators who can prove where the data sits. Our tenants' route to it is Crown Hosting, G-Cloud and the AIRR prime

awards; G-Cloud 15 live from 6 August 2026 with AI listings; the MoD's £180m Digital Decision Accelerators framework with an edge compute lot

Inference platforms	Together AI (\$800m raised at \$8.3bn, July 2026), Fireworks (\$1.5bn at \$17.5bn), Baseten (\$1.5bn at c.\$13bn, June 2026); all rent capacity and resell it	Serve UK developers from wherever the capacity sits; UK data residency is a selling point they need	A wholesale buyer of our tenant's hours, growing faster than the hyperscalers
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5.3 • THE INTERMEDIARIES

What sits between a GPU owner and a buyer

WHO	WHAT THEY ARE	HOW THEY MAKE MONEY	UK RELEVANCE
SF Compute	A real-time market for H100 and H200 clusters, from one node for an hour to thousands for years; owns no GPUs; \$40m Series A at \$300m, December 2025	A fee per trade, reported at c.10%; customers reselling unused capacity recovered c.25% on average (company figure, September 2026)	Lets a UK operator sell spare hours and lets a buyer avoid a long contract. It trades hours, not megawatts
Nvidia DGX Cloud Lepton	Nvidia's marketplace routing developers to partner clouds; launched May 2025 with CoreWeave, Crusoe, Lambda, Nebius, Nscale and others; European additions include Mistral, Fluidstack, Scaleway and Together; AWS and Azure joining; Nvidia has folded its own DGX Cloud back to internal use and pushed Lepton instead	No published rate card; providers bill at their own rates through Nvidia	Nscale and Nebius are partners. A channel through which a UK cluster reaches global developers, controlled by the chipmaker
Vast.ai	Peer-to-peer market; hosts list machines, renters bid; H100 at c.\$2.13 an hour on the community tier, October 2026	Commission on rentals	The price floor for an hour of H100; unreliable hosts cost 20 to 40% more in practice
Shadeform	Aggregator with one console across more than twenty clouds including Lambda, Nebius and Crusoe; charges the buyer no fee	Paid by the providers	How an enterprise buys without a procurement team
Inference platforms (Together, Fireworks, Baseten)	Rent GPU capacity wholesale, run models, sell tokens	Margin between the GPU-hour and the token	The fastest-growing wholesale buyer of neocloud hours
The AIRR prime	The winner of the £250m research-compute contract, expected to subcontract to several cloud providers	A managed-service margin	The one UK intermediary that buys at scale for the state

Property agents

CBRE, JLL and the rest (chapter 0)

Fees on leases and sales

Place shells and halls with operators; do not trade compute

None of the marketplaces buys megawatts. They matter to us only through our tenant's utilisation. A tenant that can sell idle hours into SF Compute or Lepton loses less in a bad quarter.

5.4 • THE BACKSTOPS

Three structures that put a strong name behind a weak one

A. The customer backstops the lease: Google and Fluidstack, 2025

SITE	LEASE	BACKSTOP	GOOGLE'S CONSIDERATION	MECHANICS
TeraWulf, Lake Mariner, New York	c.200 MW to Fluidstack, ten years plus two five-year options, c.\$3.7bn initial term	\$1.8bn (c. £1.35bn), later raised to \$3.2bn (c. £2.4bn)	Warrants reported at c.8% of TeraWulf, later increased	On a Fluidstack payment default or insolvency, Google may pay the termination fee or pay the rent due and assume the lease. It is not a guarantee of the landlord's own debt. The landlord then borrows against the guarantee
Cipher Mining, Barber Lake, Texas	168 MW IT to Fluidstack	\$1.4bn (c. £1.05bn)	Warrants for c.5.4% of Cipher	
TeraWulf and Fluidstack joint venture, Texas	168 MW, 25 years, c.\$9.5bn	\$1.3bn (c. £1bn)	Further warrants	

B. The chipmaker guarantees the rent: Nvidia, Nscale and Ionic Digital, October 2025

Nscale's US subsidiary signed a ten-year triple-net lease with Ionic Digital for the Cedarvale facility in Ward County, Texas: 234 MW and about \$2bn (c.£1.5bn) of

contracted rent, reported at \$65 per kW a month. On 14 October 2025 Nscale issued Nvidia warrants over up to 9,476,700 preferred shares, worth \$60m (c.£45m) at an exercise price of a cent, and in return Nvidia agreed to guarantee up to \$860.34m (c. £650m) of Nscale's obligations under the lease, reported as the first five years' rent, with further "default warrants" that become exercisable if Nscale defaults on a lease Nvidia has guaranteed. All of this is in Nscale's prospectus. It is the clearest precedent for a landlord of a young operator. The chip supplier stood behind the rent, and the landlord could borrow against it.

C. The chipmaker rents back the capacity: Nvidia, July 2026

From 1 July 2026 Nvidia rents back unused capacity from partner neoclouds at a fixed rate, which gives their lenders a utilisation floor; its commitment to buy CoreWeave's unsold capacity runs to April 2032; reports put the programme at up to \$125bn within a \$500bn financing platform. This protects the operator's revenue rather than the landlord's rent directly, but a tenant with a revenue floor is better placed to pay its rent.

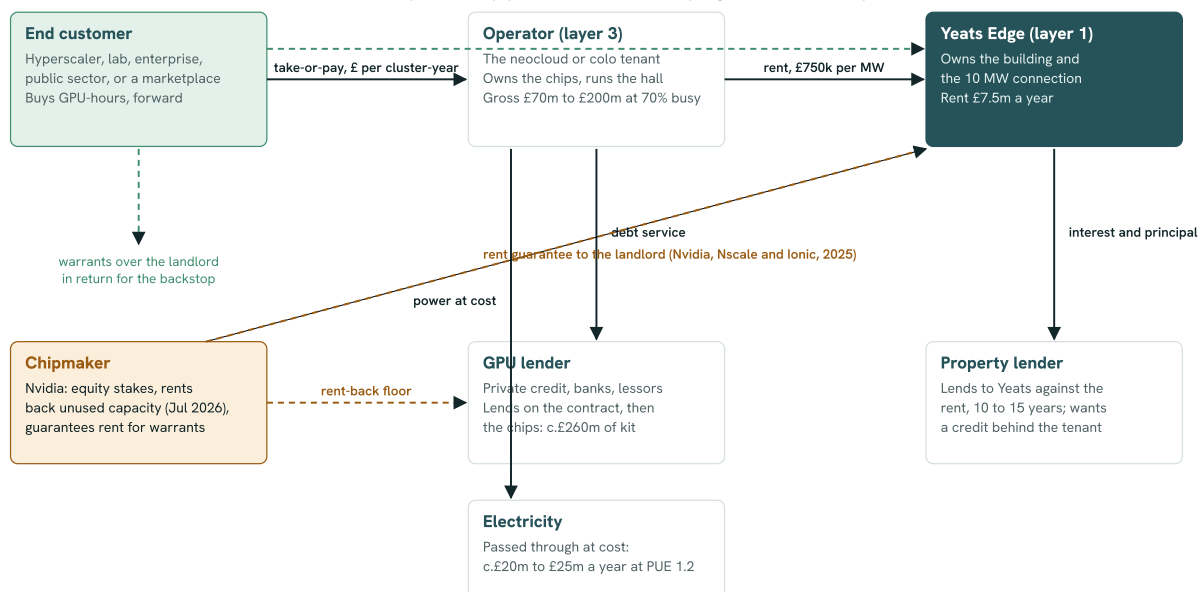
What Europe has instead

No European or UK backstop of either kind was found. CBRE reports a different response. Capacity sold to neoclouds in Europe rose from 133 MW in the first nine months of 2024 to 414 MW in the same period of 2025, and to 420 MW in the first half of 2026 against 89 MW a year earlier, with 57% of the 2025 volume in the Nordics; and operators are "implementing measures to manage the additional risk", chiefly higher rents to offset build costs. Lawyers in the US note the structures are already evolving from full lease guarantees towards residual-value guarantees, where the customer promises the landlord a floor value at the end rather than every payment along the way.

5.5 • THE MONEY FLOW

Who pays whom behind one 10 MW lease

lease backstop: on default, pay the fee or assume the lease (Google and Fluidstack, 2025)



Our arithmetic for a 10 MW shell let at £750k a MW to an operator running c.10,000 H100-class GPUs: gross revenue £70m to £200m a year at 70% utilisation on the October 2026 price range; power c.£20m to £25m a year passed through at PUE 1.2; kit c.£260m once; rent £7.5m. The dashed arrows are the three structures in section 5.4.

The operator's largest outgoings are its chips and its electricity; its rent to us is a few percent of its revenue. Its credit therefore depends on the end customer's take-or-pay commitment, and on whether that customer or the chipmaker provides credit support to the landlord or the lender. A tenant with a named off-taker and a backstop is a different credit from the same tenant without them, in the same building, paying the same rent.

5.6 • WHY NOW

Why the buyers are starting to stand behind the operators

- The buyers need the capacity more than they fear the credit. The miners' sites were the fastest megawatts available in America, and Google and Nvidia guaranteed the leases to secure them.
- The lenders demanded it. GPU-backed debt is lent against contracts; property debt is lent against rent. Both lenders looked through the neocloud to the end customer, and the warrant-for-guarantee trade gives them a named credit.
- Concentration is extreme. Five buyers account for most take-or-pay value, and Microsoft alone for c.\$60bn. Any one of them can make or break an operator, as Loughton showed, and any one of them can make an operator bankable by guaranteeing its lease.

- Europe is about a year behind. Neocloud signings in Europe tripled in 2025 and quadrupled again in the first half of 2026. The structures that followed the volume in America are likely to follow it here. A UK landlord asking for one today should expect to be told it is unusual.
- The state is becoming a buyer. The £250m research-compute contract, Crown Hosting's awards, G-Cloud 15's AI listings and the MoD's edge lot add up to a public customer that pays slowly but reliably and needs its capacity onshore.

5.7 • WHAT IT MEANS FOR US

Lease to the tenant, underwrite the buyer

- Ask about credit support in the first meeting. Who is the end customer, and will they, or the chipmaker, stand behind the lease? Three forms are now in the market: a guarantee of the rent for a period (Nvidia at Cedarvale), an undertaking to assume the lease or pay the fee on default (Google at Lake Mariner), or a residual-value floor. Any of them changes what a lender will advance against our building.
- Decide what we give for it. The US landlords gave warrants; we have no listed equity to give. The alternatives are a right of first offer on the next cluster, a share of exit value above a hurdle, or nothing beyond the rent where the operator wants the power badly enough. The Edge rules exclude revenue share. The decision should be made before the first operator meeting, not in it.
- Do not follow the European approach. CBRE's operators charge neoclouds more rent to cover the risk. Our rent is fixed at £750k a MW and is already a fraction of a fitted rate. We should hold the rent at that level and take a guarantee, rather than raise the rent in place of one.
- A named off-taker is worth more than a well-known tenant. A regional colocation operator with Crown Hosting contracts, or a neocloud whose UK cluster is sold to Microsoft or a lab under take-or-pay, is a credit; an operator with a 1 GW plan and a pipeline is not. Underwrite the end customer's commitment, not the tenant's plan.
- Use the public channel as a tenant's selling point, not ours. We will not win a Crown Hosting award; our tenant might. A building that can meet sovereign requirements, UK-owned, UK-sited, auditable, helps them sell to the state, and that should be in the pack.
- Marketplaces help utilisation and nothing more. A tenant that lists on SF Compute or Lepton fills idle hours. That counts in their favour but says nothing about whether they pay rent in year eight.

5.8 • SOURCES

- Buyers: [Converge Digest](#), [neocloud spending](#), [Trending Topics \(Microsoft c.\\$60bn\)](#), [Meta and CoreWeave \\$14.2bn](#), [Meta \\$21bn and Anthropic, Apr 2026](#), [Capacity \(OpenAI \\$22.4bn\)](#), [Microsoft and IREN](#); Nscale contracts from its S-1 (chapter 4)

- Backstops: [Nscale Form S-1, 18 Sep 2026](#) (Nvidia warrant instrument and lease guarantee), [Ionic Digital, 14 Oct 2025](#), [Davis Polk](#); [TeraWulf 8-K](#), [The Block](#), [TeraWulf JV](#); [Vinson & Elkins via Bloomberg Law](#); [Measured AI on the guarantee pattern](#); Nvidia rent-back via [Capacity](#)
- Europe: [CBRE via Europe RE \(414 MW vs 133 MW\)](#), [CBRE H1 2026 \(420 MW vs 89 MW\)](#), [Verdantix on Loughton](#)
- Marketplaces: [SF Compute](#), [DCD](#), [Latent Space wiki](#); [Nvidia Lepton Europe](#), [Tom's Hardware](#), [Spheron on Lepton pricing](#); [Shadeform](#) and [Vast.ai](#)
- Inference platforms: [Sacra on Fireworks](#), [Baseten](#), [Together AI](#)
- Public sector: [AIRR £250m](#), [DCD](#), [Find a Tender](#), [G-Cloud 15](#), [Crown Hosting](#), [MoD DDAD framework](#), [Sovereign AI Unit](#)

Model, app and user

Layers 5 and 6. Who runs models in Britain and who uses them, what a request needs in milliseconds, how far from London a site can sit, which rules pull inference onshore, and what a token is worth. Chapter 6 of From power to answer.

IN SHORT

Latency puts the compute in Britain. Power and sovereignty decide where in Britain.

54%

of adults use AI

59%

of urban Britain within 2 ms
of Kent

500 to 800 ms

a voice agent's whole budget

600×

cheaper tokens since 2020

WHO USES IT, AND HOW MUCH

54%

of UK adults used AI, 2026 (Ofcom)

79%

of 16 to 24s

35%

of firms with 10+ staff (ONS, Jun 2026)

10%

of adopters use it extensively

29.6m

people used AI tools in July 2026

544

OpenAI staff planned for King's Cross

3.2 quadrillion

tokens a month at Google, May 2026

600×

fall in token prices since 2020

Basis. Market study, no returns. Adoption figures are official statistics where available (ONS, Ofcom, DSIT) and company-stated where not. The latency arithmetic is ours. Sources in section 6.8.

CHAPTER 6, IN SHORT

Latency puts the compute in Britain; sovereignty and power decide where in Britain

WHO USES IT

Half the country, a third of firms

54% of UK adults used AI in 2026 (Ofcom), 79% of 16 to 24s; 35% of businesses with ten or more staff use it (ONS, June 2026), but only 10% of those extensively. OpenAI's first permanent London office is sized for 544 staff.

HOW FAR FROM LONDON

Anywhere in Britain, for most work

From a Kent site, 59% of the people in Britain's large urban areas sit within 2 ms one way and 92% within 4 ms. Latency argues for Britain over Virginia, not for Kent over Slough. The exceptions are listed in 6.3.

WHAT A REQUEST NEEDS

A budget of 500 to 800 ms

A voice agent has to answer in under a second; the model takes 150 to 300 ms of that and the network 50 to 150. Every hop adds 5 to 50 ms. Light in fibre crosses Britain in about 4 ms.

FOR US

Sell power and sovereignty, not distance

No UK rule forces inference onshore, but the public sector, the NHS and regulated finance buy as if one did, and the Treasury has started designating cloud providers as critical. A UK-owned landlord with firm power answers part of a tenant's sovereignty question.

6.1 • WHAT IT IS

A request, a budget and a token

At the top of the chain a user sends a request to a model and waits for the answer. What they buy is measured in tokens, roughly three-quarters of a word each. What they notice is latency: the time to the first token and the pace of the rest. Every layer below the user is there to make that wait short and that token cheap. Google alone says it processed 3.2 quadrillion tokens in a month by May 2026, seven times the year before and 330 times the year before that; its APIs run at about 19 billion tokens a minute. Those are company figures, unaudited, but the direction is not in doubt.

KIND OF REQUEST	WHAT "FAST ENOUGH" MEANS	OF WHICH THE MODEL	OF WHICH THE NETWORK	WHERE THE COMPUTE CAN BE
Chat, search, writing, code	First token in under a second; a page in a few seconds	Most of it	Tens of ms, unnoticed	Anywhere in Europe; a US region is c.70 ms away and still tolerable
Voice agents, call centres	Reply in 500 to 800 ms end to end; past a second it feels broken	150 to 300 ms first token	50 to 150 ms across speech-to-text, model and speech, so each leg must be short	In the country, on the call path; tail latency (the slowest 1%) is what breaks it
Agents calling tools in loops	Each step tens to hundreds of ms, dozens of steps	Most of it	Multiplied by the number of steps	Near the data and the tools it calls
Mobile networks (AI-RAN), vehicles, robotics, trading	Milliseconds, deterministic	Small models	1 to 10 ms round trip, or it does not work	In the metro, within c.100 km, or on the device
Batch: documents, images, overnight analysis	Minutes to hours	All of it	Irrelevant	Wherever power is cheapest; Scandinavia and Scotland win

Budgets from vendor and practitioner sources (Nvidia, Telnyx, Ultravox, 2026); they differ at the margin but agree on the ranges. Network legs from the same sources and our arithmetic at 5 μ s per km of fibre.

6.2 • WHO

The users and the model-makers in Britain

WHO	SCALE, 2026	SOURCE	WHAT THEY BUY
Adults	54% used AI (Ofcom, April 2026); 59% had used generative AI (DSIT survey, Nov 2025 to Mar 2026); 29.6m people used AI tools in July 2026 (UKOM); ChatGPT took 76% of UK time on AI tools	Ofcom, DSIT, IAB UK via UKOM	Consumer subscriptions and free use, served from the labs' own regions, mostly abroad
Businesses	35% of firms with ten or more staff use AI, from 12% in late 2023; 49% of those with 250 or more; only 10% of adopters use it extensively, averaging 1.6 tools; 58% in information and communication; 55% of employees use AI for work	ONS, June 2026	Enterprise subscriptions, APIs, and increasingly private deployments for regulated data
The labs in London	OpenAI's first permanent office, 88,500 sq ft at King's Cross for 544 staff by 2027 (April 2026), days after pausing Stargate UK; Anthropic space for c.800; Google DeepMind's home; AI firms took 661,068 sq ft of London offices in the first half of 2026, more than all of 2025	Knight Frank, CoStar, press	People, not compute: the models are served from their own clouds, with a UK data-residency option from OpenAI under a government memorandum
UK model and product firms	Wayve (robotaxis live in London with Uber from 3 September 2026, under 20 cars, a safety driver aboard), Synthesia, ElevenLabs, Stability, PolyAI, Quantexa, Darktrace and the rest	Press	Training abroad; inference wherever their customers are; the vehicle case runs on the car
The NHS	£30m for AI diagnostics in 2026, £20m of it to put a chest X-ray tool in every English trust by 2029; a £900m AI framework for 2027 to 2035 with radiology among eight lots	DHSC, NHS England	Models that run against patient data, bought through frameworks; hosting allowed offshore since 2018 guidance, but supplier standards increasingly say "operated within the UK"
Government and defence	The Ministry of Justice's OpenAI deal; the compute roadmap's warning of a 5 GW UK compute gap by 2030 without	gov.uk, MoD, BT	Sovereign-labelled capacity, slowly

intervention; the MoD's edge compute lot; AI-RAN trials on EE's live network in Birmingham

**Regulated
finance**

AWS, Google, Microsoft and Oracle designated critical third parties from 13 July 2026; a single incident and third-party reporting framework from March 2026; the Treasury Committee pressing for AI providers to be designated next

HM
Treasury,
FCA, PRA

Resilience and
auditability first; a
named UK site is a
comfort

6.3 • HOW FAR FROM LONDON

The rings



Our arithmetic. Dots are the 45 largest urban areas of Great Britain, c.33m people, sized by population. Rings are one-way fibre latency from a site at Ramsgate, Kent, at

5 microseconds per kilometre over a route 1.4 times the straight-line distance; double them for a round trip. Within 1 ms: 33% of those people (London). Within 2 ms: 59%, to Birmingham and Southampton. Within 4 ms: 92%, to Manchester, Leeds and Cardiff. Glasgow and Edinburgh sit at about 5 ms.

A Kent site reaches every English city in under 4 ms one way. A Virginia region is about 35 ms away; Amsterdam and Frankfurt are 3 to 5 ms. Latency therefore argues for Britain over abroad, not for one British town over another. For chat, agents and documents, Kent, Slough and Manchester are indistinguishable to the user. The exceptions are metro-scale. Mobile networks, vehicles, robotics and voice at scale want their compute within a millisecond or two, which is a circle of 100 to 150 km around the people, and for 59% of Britain's urban population a Kent site is inside that circle. Residential measurements agree: Edinburgh to London on an ordinary broadband line is about 14 ms round trip, London to Amsterdam about 6, London to Frankfurt about 9.

The map does not show Kent's subsea landings. The cables that join Britain to the Continent land on its coast: EXA's Margate to Ostend route opened in 2025, and a new system is planned for Dumpton Gap by Broadstairs, a landing station used before. A site in east Kent is as close to Brussels and Amsterdam as it is to Birmingham. That matters to a tenant selling into Europe from a British address.

6.4 • SOVEREIGNTY

The rules, and what buyers do in practice

RULE OR HABIT	WHAT IT SAYS	EFFECT ON WHERE COMPUTE SITS
UK GDPR, Data Protection Act 2018, Data (Use and Access) Act 2025	Lawful transfer abroad with safeguards; no residency mandate	Permissive in law; the burden of proof sits with the exporter
Government cloud guidance	No policy prevents a department storing or processing data in any particular country, but it must weigh the implications; there is no formal UK sovereign cloud policy (Pinsent Masons); a national cloud strategy has been promised	Permissive; departments increasingly choose UK anyway
NHS offshoring guidance (2018) and supplier standards	Public cloud, including offshore, is allowed after a risk assessment; some NHS England supplier standards require every component of a solution to be operated within the UK	Mixed; the newer standards point onshore
Critical third parties regime (HM Treasury, FCA, PRA), from 13 July 2026	AWS, Google, Microsoft and Oracle designated; regulators to assess AI and cloud providers for further designation; unified incident reporting from March 2026	Not residency, but resilience: regulated firms must show where their critical services run and how they fail over
The labs' own moves	OpenAI offers UK data residency under its government memorandum and signed the Ministry of Justice; the sovereign AI programme grants GPU hours on Isambard	The buyers' preference is being met commercially before it is legislated
The US CLOUD Act argument	Vendors (Civo and others) sell UK-owned, UK-incorporated hosting as the only way data stays under UK law	A marketing position with legal weight; it favours UK-owned operators and landlords

As with the credit support behind leases in chapter 5, buyers are moving ahead of the rules. No statute makes a bank or a hospital keep its inference in Britain; most of them choose to anyway.

6.5 • WHAT A TOKEN IS WORTH

Deflation at the top, inflation underneath

MEASURE	FIGURE	SOURCE
Fall in token prices, 2020 to 2026	c.600-fold	arXiv 2603.28576, 2026
GPT-4 at launch, input, per million tokens	\$30	OpenAI pricing, 2023, via press
GPT-5, input and output, per million	\$1.25 and \$10	OpenAI pricing via press (secondary)
Economy-tier price for comparable quality	\$0.10 per million	arXiv, Gemini Flash example
Blended index low	\$0.97 per million, 31 Aug 2026	Silicon Data
Frontier prices versus March 2023	down 84%; but up 72% year on year in September 2026	BenchLM index
Enterprise spend per million tokens	c.\$10 to c.\$2.50 in a year	Ramp data via press
Google tokens a month	9.7 trillion (2024), 480 trillion (2025), 3.2 quadrillion (May 2026)	Google I/O, company-stated

The price of a token has fallen by two orders of magnitude while the number of tokens has risen by more. The hour of compute underneath them got dearer in 2026 (chapter 4). The industry calls this the Jevons effect: cheaper inference leads to more of it. For the layer above us it means thin margins and constant repricing. For the layers below it means demand for GPU-hours keeps rising even as the price of their output falls. The operators who run inference cheapest per token, near their users and with power they already have, keep the work.

6.6 • WHY NOW

Why the users are pulling the compute towards them

- Use has gone mainstream in two years: business adoption has tripled, half of adults use AI and 29.6m people use it in a month. The workloads that follow are inference, not training, and inference is served near its users.
- The applications that need milliseconds have arrived: robotaxis in London from September 2026, AI-RAN trials on a live mobile network, voice agents in call centres, fraud models in payment flows. Each needs a short network leg, and the slowest 1% of requests is what the product is judged on.

- The buyers are regulated. Finance, health and government are among the heaviest adopters and the most constrained in where their data goes. The critical-third-party regime makes the location of critical services a board question.
- The labs are in London. OpenAI and Anthropic are building London headcount in the hundreds, and their British customers will ask where the compute they buy is run.
- The state has counted the gap. The compute roadmap's evidence annex warns of a 5 GW shortfall by 2030 without intervention, and says ultra-low-latency applications such as vehicles are the ones that cannot wait.

6.7 • WHAT IT MEANS FOR US

Sell power, sovereignty and timing, not distance from London

- Do not oversell latency. For most inference a Kent site, a Slough hall and a Manchester shed are the same distance from the user. The case to make is that Britain's users need British compute, there is not enough of it, and our buildings have the power to host it now. Chapter 1 made the same case in megawatts.
- Name the tenants for whom distance matters. A mobile operator putting inference in the network, a vehicle company, a voice platform, a trading firm: for them a site within a millisecond or two of London and the south coast is worth something a Scottish site is not. The rings put 59% of Britain's urban population inside 2 ms of Kent. Put that in the pack for those tenants and leave it out for the rest.
- Sovereignty is something a landlord can offer. A UK-owned, UK-incorporated landlord with a UK building and a UK connection answers part of what a bank, a trust or a department will ask a tenant. Put that in the pack.
- Kent's coast is a selling point. The Continental landings at Margate and Broadstairs put Brussels and Amsterdam 3 to 5 ms away. A tenant serving Europe from a British address, or a European operator wanting a British node, should hear it.
- Token deflation is the tenant's problem, not ours. Our rent is per megawatt, not per token. As tokens get cheaper and more numerous, demand for powered megawatts rises and the margin squeeze lands on the layer above us. We therefore underwrite the tenant's contracts (chapter 4) and the credit support behind them (chapter 5), not their price list.

6.8 • SOURCES

- Adoption: [ONS, Artificial intelligence in UK businesses, 2023 to 2026](#); [Ofcom Adults' Media Use 2026 via Advanced Television](#); [DSIT survey via Digital Watch](#); [UKOM and IAB UK figures via ProfileTree](#); [OpenAI global users, eWeek](#)
- Latency: [Nvidia on voice latency](#), [Telnyx](#), [Ultravox](#), [Morph](#); UK and European route latencies: [thinkbroadband forum measurements](#), [EXA route](#), [ISPreview](#); Dumpton Gap landing: [SubTel Forum](#)

- Labs and firms: [OpenAI London](#), [Tech.eu](#), [Verdict](#), [Knight Frank via IREI](#), [Wayve and Uber](#), [MoJ and OpenAI](#), [EE AI-RAN](#)
- NHS: [Digital Health on the £20m X-ray rollout](#), [£30m diagnostics](#), [£900m framework](#), [NHS offshoring guidance](#), [NHS England hosting standard](#)
- Sovereignty and resilience: [Pinsent Masons primer](#), [Lewis Silkin on CTP designations](#), [Linklaters](#), [Civo \(vendor view\)](#), [Compute roadmap evidence annex](#)
- Tokens: [arXiv 2603.28576](#), [BenchLM token price index](#), [Silicon Data](#), [Google I/O 2026](#), [Implicator on the token figure](#)
- Population and map: 2021 census built-up areas, approximate; GB outline and projection from [power.yeats.com](#)

CHAPTER 7

Money

Thread A. The chain's finance in one place: who funds each layer, what their money costs, where the debt is sized, and what a lender will and will not lend on, from Ofgem's allowed returns to a GPU loan at ten per cent. Chapter 7 of From power to answer.

IN SHORT

Money gets dearer at every layer. A signed contract brings it back down.

6.08%

Ofgem's real cost of equity,
ED3

£2.45bn

Virtus's bank package,
thirteen banks

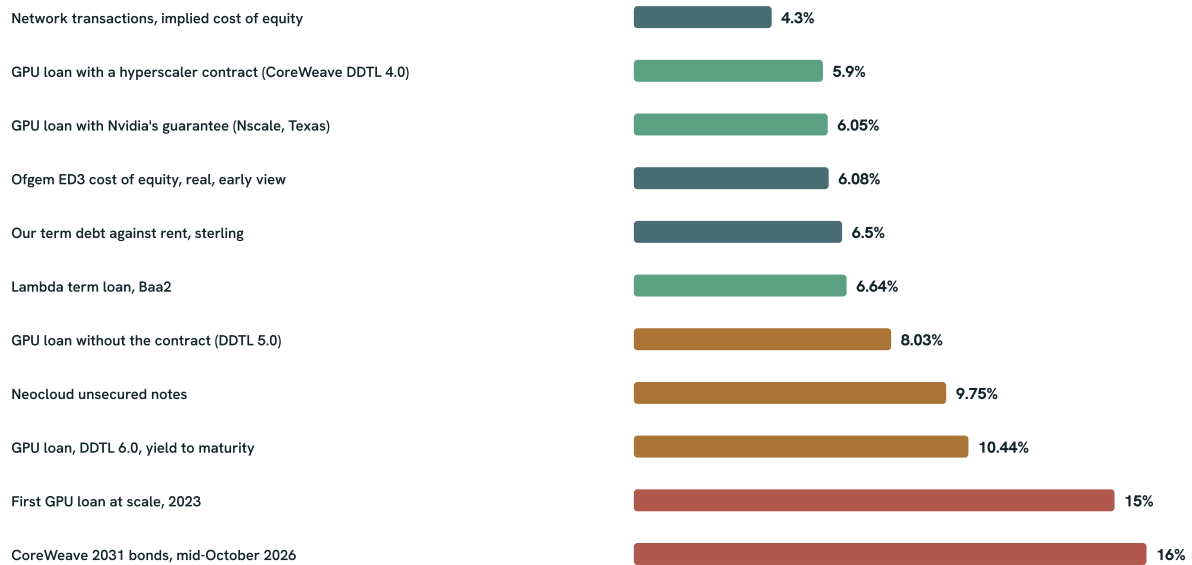
5.9% / 16%

a GPU loan with and without
a contract

\$725bn

big-four capex, 2026

THE COST OF MONEY, LAYER BY LAYER • PERCENT



Rates as published in 2026; dollar loans quoted all-in over SOFR; our debt at the sterling range seen in 2026. The gap between 5.9% and 16% is what a signed hyperscaler contract is worth to a borrower.

Basis. Market study, no returns. Costs of debt and allowed returns are as published; rates quoted in the currency of the deal. The description of our own layer is of structure, not outcome. "Our arithmetic" is marked. Sources in section 7.8.

CHAPTER 7, IN SHORT

The cost of money rises with every layer, and a buyer's contract brings it down

CHEAPEST

The grid, at c.6%

Ofgem's early view for ED3 allows a 6.08% real return on equity at 60% gearing and a debt allowance of c.5.5% to 6.2% nominal. Engie paid a c.50% premium to UKPN's regulated asset base, implying a cost of equity of about 4.3%.

MIDDLE

Buildings and halls, at 5% to 7%

Property and infrastructure debt against rent: Virtus's £2.45bn from thirteen banks, Yondr's £532m AA-rated securitisation, Pulsant's £187m. Prime UK data centre yields 5.5% to 6.5%.

DEAREST

The chips, at 6% to 16%

A GPU loan costs SOFR plus 2.25% with a hyperscaler contract behind it and SOFR plus 5.50% without; CoreWeave's unsecured notes pay 9.75% and its bonds yielded 16% in October. The difference is the absence of a buyer's contract.

FOR US

Borrow at the building's rate, and fund none of the chips

Our debt is sized on capacity rent from a tenant whose own debt is priced on its contracts. Lease terms that let a property lender see through to those contracts are worth more to us than a point of rent.

7.1 • THE STACK

Who funds what, and at what price

0 · Grid (DNO) c.60% debt

Regulated asset base: Ofgem notional gearing 60%
Debt allowance c.5.5-6.2% nominal; equity 6.08% CPIH-real (early view)
Equity: Engie, National Grid, Iberdrola, Berkshire Hathaway, SSE

1 · Powered site (us) c.60% debt

Property: development debt at purchase, refinanced on the rent once let
Term debt c.6-7%; sized on capacity rent only, cover c.1.25x+
Equity: Property and programme equity

2 · Fitted hall c.55% debt

Infrastructure: bank clubs, ABS, private credit
Virtus £2.45bn, 13 banks; Yondr £532m ABS rated AA; nLighten £85m private credit
Equity: Antin, I Squared, Macquarie, Infratil, L&G, Elliott, DigitalBridge, Brookfield

3 · Compute c.50% debt

GPU-backed loans in bankruptcy-remote vehicles, vendor leases, bonds
SOFR+2.25% (5.9%, A3) on hyperscaler contracts; SOFR+5.50% (10.4%) without; unsecured 9.75%; bonds 14-16% in a bad week
Equity: Venture funds, Nvidia, the public market

4 · Buyer c.15% debt

Hyperscaler balance sheets; neocloud contracts booked as operating cost
Investment-grade bonds; c.\$725bn of capex in 2026, c.\$1tn in 2027
Equity: Shareholders of Microsoft, Alphabet, Amazon, Meta

5 · Model and app c.5% debt

Venture equity, subscriptions, public frameworks
Little debt; Fireworks \$1.5bn at \$17.5bn, Baseten \$1.5bn at c.\$13bn
Equity: Venture and growth funds

Debt shares are typical structures, not any one company. Costs of debt as published in 2026; sterling and dollar rates shown as quoted.

Debt shares are typical structures by layer, drawn from the sources in this chapter; no single company is depicted. Costs as published in 2026. Leverage falls and the cost of money rises from the regulated grid to the venture-funded application.

7.2 · LAYER BY LAYER

The lenders, the equity and the rules they lend by

LAYER	WHO PROVIDES THE MONEY	WHAT IT COSTS, AS PUBLISHED	WHAT THE LENDER LENDS ON	WHAT THE LENDER WILL NOT LEND ON
0 · Grid	Regulated utilities with infrastructure owners behind them: Engie (UKPN, £10.5bn equity value, May 2026), National Grid, Iberdrola, Berkshire Hathaway Energy, SSE. Reinforcement is funded by the DNO and recovered from all users	ED3 early view: cost of equity 6.08% CPIH-real at the midpoint (range 5.10% to 7.05%), notional gearing 60%, debt allowance c.5.50% rising to 6.19% nominal over 2028 to 2033; transaction premiums of c.50% to the asset base imply investors accept c.4.3%	The regulated asset base and the price control. The cheapest capital in the chain, by design	Anything outside the allowance: a customer's sole-use works are paid by the customer
1 · Powered site	Property equity and property debt. In our structure, development debt at purchase, refinanced on the rent once the lease is signed, with debt sized on capacity rent alone and never on revenue share; three gates (the DNO's confirmation of the connection, the operator agreement, funding) before capital is committed	Term debt c.6% to 7% in 2026 sterling; prime UK data centre yields 5.5% to 6.5% (Savills, H1 2026); a US powered shell at a 5.0% cap rate against 6.5% for turnkey (Loudoun, 2026)	Firm rent from a creditworthy tenant on a long lease, the re-let value of the building, interest cover of 1.25x or more, loan-to-value of 50% to 60%, and a firm connection in writing	Revenue share, turnover top-ups, uncontracted capacity, a connection that is Indicated rather than Confirmed, or a tenant whose rent it cannot see through to a contract
2 · Fitted hall	Infrastructure equity (Antin at Pulsant, I Squared at nLighten with	Virtus £2.45bn from thirteen banks led by BNP Paribas, Crédit Agricole, Société	Contracted kW with hyperscalers and large enterprises,	Speculative halls without pre-lets at scale; neocloud

more than \$500m committed, Macquarie's 40% of Virtus, Infratil and L&G at Kao, Elliott at Ark with TPG in talks at c.\$5bn, Brookfield's \$10bn AI fund, BlackRock's £500m with Gravity Edge, L&G's new €600m digital fund, ICG's €3.15bn); bank clubs; securitisation; private credit	Générale and Standard Chartered, September 2026, with £1.2bn of green capex facilities; Yondr £532m of term notes against two Slough halls let to a hyperscaler, rated AA by Fitch, March 2026; Pulsant £187m over five years, October 2025; nLighten £85m led by Rivage, secured on nine UK sites of 10 MW rising to 20 MW, March 2026; Echelon €1.7bn from Morgan Stanley; Maincubes €1.8bn from twelve lenders; Segro and Pure publish a 9 to 10% net yield on cost	DSCR, loan-to-cost on development, the operator's track record, ESG criteria increasingly written into the margin	tenants without credit support, for which operators charge more rent instead
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3 · Compute	Venture and public equity (Nscale's c. £1.5bn Series C and IPO; Fluidstack's \$750m; Nvidia's stakes); GPU-backed loans in bankruptcy-remote vehicles; vendor leases; unsecured bonds	One borrower's history shows the range. CoreWeave's first GPU loan in 2023 cost c.15%; its second in 2024 SOFR plus 6.00% (11.3%); its fourth in March 2026, \$8.5bn against Meta's contracts, SOFR plus 2.25% floating or 5.9% fixed, rated A3; its fifth in May 2026, without that contract quality, SOFR plus 4.50% (8.0%, Ba2); its sixth	Contracted cash flows from a named customer, ring-fenced in a special-purpose vehicle, with the chips as secondary collateral amortised over three to four years; a vendor or customer backstop where one exists	Spot or on-demand revenue; chips older than a generation; a borrower's corporate credit on its own; the same company borrowed at 5.9% and 10.4% in the same year
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SOFR plus 5.50% (10.4% to maturity); its unsecured notes 9.75%; its bonds above 16% in the week of 14 October.
Elsewhere: Lambda SOFR plus 3.00% (6.6%, Baa2); Nebius SOFR plus 2.50% (6.1%); IREN's Microsoft-backed facility SOFR plus 2.25% (5.9%, rated A); Nscale's Ward County facility SOFR plus 2.375% (6.05%, Baa1) behind Nvidia's guarantee

4 · Buyer	Hyperscaler balance sheets and investment-grade bonds; neocloud contracts sit in operating costs, not capex, which is part of their appeal	Amazon, Microsoft, Alphabet and Meta guided c.\$725bn of capital spending for 2026, up c.77% on 2025; Alphabet raised its range to \$195bn to \$205bn in July; Moody's puts the wider group at \$785bn in 2026 and close to \$1tn in 2027	Their own shareholders and bondholders lend on cash flow from advertising, cloud and software; the AI spend is the use of funds, not the security	The buyers are the credit the rest of the chain borrows against; they borrow against nothing in it
5 · Model and app	Venture and growth equity; little or no debt	Fireworks \$1.5bn at \$17.5bn; Baseten \$1.5bn at c.\$13bn; Together \$800m at \$8.3bn; the three at c.\$1bn of annual revenue each; OpenAI and Anthropic in the tens of billions	Growth, not collateral	There is no debt at this layer; equity carries the risk

Three sizing rules

1. The regulator sizes the grid's debt at a notional 60% of the asset base and allows a return for which the market has paid a 50% premium. The connection a building holds was financed at this rate, which is why it is cheap to own and expensive to replace.
2. The property lender sizes our debt on the rent: the capacity rent of £750k a megawatt, from a tenant it can underwrite, at a cover ratio it can defend, against a building it could re-let. In our structure, development debt is drawn at purchase and the site is refinanced when the lease is signed. Only rent counts in the sizing. Revenue share, if it ever existed, would be equity upside only; the Edge rules exclude it in any case.
3. The GPU lender sizes the tenant's debt on the tenant's contracts. The spread between a loan at SOFR plus 2.25% and one at SOFR plus 5.50% is the difference between a Meta contract behind the chips and no such contract. The lender lends on the buyer's contract and holds the chips as secondary security.

Rules two and three meet at our lease. The property lender asks who our tenant's customer is, because the tenant's ability to pay rent in year eight depends on its contract book and its own lenders' patience. A lease that gives the landlord sight of the tenant's contracts, a deposit or guarantee where the covenant is thin, a short cure period and a clean re-let right is a lease a property lender will advance more against. The credit support behind the lease, set out in chapter 5, therefore matters to our layer even though we never fund a GPU.

7.4 • THE COST OF MONEY, IN ONE TABLE

INSTRUMENT	RATE, AS PUBLISHED	WHO, WHEN
Allowed cost of equity, distribution networks (CPIH-real, early view)	6.08%	Ofgem ED3 methodology, 21 May 2026
Allowed cost of debt, distribution networks (nominal, average 2028 to 2033)	5.86%	Ofgem ED3, same
Implied cost of equity from UKPN and other network transactions	c.4.3%	Ofgem ED3 market-to-asset ratio analysis
Prime UK data centre yield	5.5% to 6.5%	Savills Spotlight, H1 2026
Powered shell and turnkey cap rates, Northern Virginia	5.0% and 6.5%	Loudoun County guidelines, 2026
Fully fitted development, net yield on cost	9% to 10%	Segro and Pure, Park Royal
Data centre securitisation, UK, rated AA	coupon not published	Yondr, £532m, March 2026
GPU loan with a hyperscaler contract, investment grade	SOFR + 2.25% (c.5.9%)	CoreWeave DDTL 4.0, March 2026; IREN-Microsoft facility
GPU loan with a chipmaker's guarantee	SOFR + 2.375% (c.6.05%), Baa1	Nscale, Ward County, 2026
GPU loan, sub-investment grade	SOFR + 4.50% to 5.50% (8.0% to 10.4%)	CoreWeave DDTL 5.0 and 6.0, 2026
Neocloud unsecured notes	9.75% coupon	CoreWeave, April 2026
Neocloud bonds in a bad week	above 16% yield	CoreWeave 2031 notes, mid-October 2026
First GPU loan ever made at scale	c.15%	CoreWeave, 2023

The grid borrows at about six because the regulator guarantees its revenue. A building borrows at six or seven because a lease is a contract and the building has another use. A fitted hall borrows at a little more because the fit-out has one use. The chips borrow at six when a hyperscaler has signed and at ten or sixteen when it has not. At every layer the rate falls when a buyer's commitment stands behind the cash flow.

Three things that did not exist two years ago

- **GPU debt as an asset class.** From a 15% loan in 2023 to an A3-rated \$8.5bn facility in 2026, with a sector total above \$20bn and a Baa2 syndicated term loan to a private neocloud. The rating sits on the contracts and the structure, not the borrower; the same borrower's unsecured paper yields twice as much.
- **Data centre securitisation in Europe.** Yondr's £532m of AA-rated notes against two let halls in Slough was the first European data centre ABS to reach that rating. It gives operators a public-market exit for stabilised halls and shows a property lender what a let megawatt is worth to the bond market.
- **Vendor and customer credit support.** Nvidia's rent guarantee at Ward County and its capacity rent-back; Google's lease backstops. This is the credit support behind the lease described in chapter 5. It exists because lenders would not otherwise lend at the rate the operators needed.

The money that is old is also moving. Infrastructure funds that used to buy towers and fibre now buy halls: Antin, I Squared, Macquarie, Infratil, Brookfield, Elliott, and the new L&G and ICG funds. Their cost of capital sits between the property lender's and the venture fund's. Their appetite is for platforms of many sites, and a regional edge operator is one.

Why the capital is arriving faster than the power

- The buyers' spend has doubled in two years and is heading for a trillion dollars in 2027. Every layer below is financed on the expectation that it continues. The hyperscalers' own filings show it continuing through at least 2027.
- Lenders have learned to look through. The investment-grade GPU loan and the AA data centre bond both exist because a lender agreed to lend on a hyperscaler's commitment several layers away. We expect the same look-through to reach a powered shell's lease.
- The refinancing wall is 2026 to 2028. GPU loans amortise over three to four years and the contracts behind them run longer. Operators who cannot refinance will consolidate, and their halls and leases will change hands. Landlords with a clean re-let right are protected; those without are exposed to the second-hand value of the plant.
- Power is the input the capital cannot buy. Virtus's £2.45bn and Pure DC's \$2.7bn are waiting on connections. There is more money in the chain than there are megawatts, so a building with a connection commands a premium (chapter 2).

Six rules for our layer

- Stay at the building's cost of capital. Our layer borrows at six or seven against rent. If we fund a chiller we borrow at a hall's rate; if we fund a chip we borrow at ten. The boundary of landlord scope is also the boundary of cheap debt.
- Size debt on rent only, and tell every lender so early. Capacity rent, indexed, from a tenant whose contracts the lender can see. No revenue share, no turnover top-up and no uncontracted capacity in the sizing. This is the Edge rule, and it is also how the market's lenders size debt.
- Write the lease with the lender in mind. Sight of the tenant's contract book and concentration, a guarantee or deposit where the covenant needs it, a short cure period, a clean re-let right, and a statement of who stands behind the lease. Each of these moves the pricing of our debt towards the AA notes and away from the 16% bonds.
- Prefer tenants whose own money is cheap. A tenant borrowing at SOFR plus 2.25% has a hyperscaler behind it; one borrowing at SOFR plus 5.50% does not. Ask bidders what their GPU debt costs. It is the most informative single number about a bidder.
- Watch the securitisation market. If a let, powered shell can be financed in the bond market as Yondr's halls were, the exit value of our buildings is set there, not by the agents. The first UK powered-shell ABS will reprice the layer.
- Keep the three gates: the DNO's confirmation of the connection, the operator agreement, and funding. A lender will ask for all three.

7.8 • SOURCES

- Grid: [Ofgem, ED3 Sector Specific Methodology Decision, Finance Annex, 21 May 2026](#) (Tables 1, 9, 10 and 11); UKPN sale via chapter 1 sources
- Property and halls: [Standard Chartered on Virtus](#), [Clifford Chance](#), [Latham on Yondr](#), [Linklaters](#), [Pulsant refinancing](#), [Sidley on nLighten](#), [IPE](#), [Echelon](#), [Mondaq on covenants](#); Savills yields and Loudoun cap rates from our comparables note, 26 Oct 2026
- Compute: [CoreWeave DDTL 4.0](#), [GPU loan pricing tracker](#), [Global Data Center Hub](#), [CoreWeave 10.4% loan](#), [Wing VC, how the GPU became collateral](#), [Lambda](#); bond yields via chapter 4 sources
- Buyers: [Yahoo Finance on 2026 capex](#), [Moody's via DCD](#), [Alphabet's July guidance](#)
- Funds: [L&G digital fund](#), [A&M outlook \(ICG, BlackRock\)](#), [Macquarie and Virtus](#), [3i and Lefdal](#); venture rounds via chapter 5 sources
- Our structure: the Edge method's financing rules (debt on capacity rent only; three gates), as recorded in the Yeats Edge business plan and the A to Z book of October 2026

Paper

Thread B. The documents that carry a megawatt from the substation to the user: the connection agreement, the planning consent and the rules that come with it, the operator lease clause by clause, the credit support behind the lease, the power contract, and the data obligations that follow the tenant in. Chapter 8 of From power to answer.

IN SHORT

Draft the lease for the lender and for the next tenant.

DCP181

terms survive a change of occupier

8 Jan 2026

data centres can opt into the national regime

+22%

South East data centre rateable values

14

clauses in one lease

SEVEN RULES FOR THE PAPER

1

Connection stays with the building

2

Planning per site, before exchange

3

Rent is rent

4

The intake is the line

5

Yield-up leaves the hall

6

Credit support scheduled, not promised

7

Power never touches our books

Basis. Market study, not legal advice. Clauses are heads for discussion, drawn from published law-firm guidance and the Edge method's own lease checklist; the solicitors draft. Regulatory positions are as published to 31 October 2026 and several are still moving. Sources in section 8.9.

CHAPTER 8, IN SHORT

Six documents, and the clauses that matter in each

THE CONNECTION

Held by the landlord

A connection agreement names a customer and a capacity. Bilateral terms now survive a change of occupier, and capacity cannot be cut without the customer's agreement. Keep the agreement in the building's name and let the tenant take the supply.

THE LEASE

Scope splits at the intake

Triple net, 10 to 15 years, rent per MW of firm supply, indexed. Landlord scope stops at the intake switchgear; tenant scope starts there. Yield-up is the most negotiated clause in the market. Under our form the tenant leaves the hall fit-out and removes the compute.

THE CONSENT

Case by case, and moving

Data centres have no use class; a shed may already be lawful, an office is not. They can opt into the national regime since January 2026, are critical national infrastructure since 2024, and may in time be required to supply waste heat to a network.

FOR US

Write it for the lender and the next tenant

Two parties who do not sign the lease will read it closely: the bank that sizes debt on the rent, and the operator who takes the hall after this one. Draft with both in mind.

8.1 • THE PAPER TRAIL

What moves the megawatt, and who signs it

DOCUMENT	PARTIES	WHAT IT FIXES	WHERE IT GOES WRONG
Connection agreement and connection offer	DNO and the customer (owner or occupier)	The agreed supply in MVA, the point of supply, firm or non-firm, the sole-use works, milestones	Agreement in a departed occupier's name; capacity de-energised and reviewed; "firm" undefined
Planning permission and conditions	Local planning authority, or the Secretary of State under the national regime	The lawful use, hours, noise at the boundary, generators and fuel, heat rejection, landscaping	Use not lawful for compute; a noise condition the dry coolers cannot meet; a residential neighbour
Agreement for lease and fit-out guide	Landlord and tenant	What the landlord builds, what the tenant may install, the technical protocol, the long-stop	Scope creep across the intake; a long-stop the DNO cannot meet
Operator lease	Landlord, tenant, guarantor	Rent, term, scope, operations, alterations, assignment, default, yield-up (section 8.4)	Rent that is not rent; a yield-up that leaves the landlord a chiller
Credit support	Guarantor, off-taker or chipmaker, landlord, lender	Who pays if the tenant does not (section 8.5)	A guarantee of the wrong thing, for the wrong period, from an entity that can walk
Supply contract and metering	Tenant and electricity supplier; DNO for the MPAN	Who buys the power, at what price, through whose meter	Power through the landlord's books; a pass-through that turns into a trading business
Facility agreement and direct agreement	Landlord and property lender; tenant acknowledges	Debt sized on rent; lender's step-in and cure rights; no lease variation without consent	A lease the bank was not shown

Data and security schedule

Tenant with its customers; landlord for the building

UK GDPR and the 2025 Act, ISO 27001, breach procedure, who may enter

A landlord promising data obligations it cannot perform

8.2 • THE CONNECTION PAPER

Whose name is on the megawatt

- **Named customer.** A connection agreement is signed by the party who owns or occupies the site. Under the industry code change DCP181, bilateral connection terms at non-domestic, current-transformer-metered premises now endure on a change of owner or occupier, and the DNO must tell a prospective occupier whether non-standard terms apply. Under DCP114 and DCP115, no reduction in maximum import capacity takes effect without the customer's explicit agreement. Those two rules are the legal basis on which capacity survives a change of occupier. The DNO should confirm them in writing for each site, because a 2026 working group (DCP463) is discussing reducing capacity at sites where the customer cannot be identified.
- **Firm supply.** The DNO's confirmation should state the agreed supply, the point of supply, that the supply is firm (not curtailable), and that it is not conditional on reinforcement. Ofgem's Connect work is adding flexible and self-build options. Those should be chosen deliberately rather than inherited with the site.
- **Application requirements.** From 1 June 2026 any application of 5 MVA or more needs a letter of authority, heads of terms if the applicant is not the owner, a site plan, a single-line diagram and a dated programme. Above 40 MW, Ofgem's proposed commitment fee and milestones apply. The 5 MVA threshold is below our size and the 40 MW threshold above it; a 10 MW application sits between the two.
- **Holder of the agreement.** The landlord holds the connection agreement and the point of supply; the tenant takes a supply contract in its own name through the landlord's intake metering. Segro did this at Slough ("the customer will contract the power directly"). It keeps the capacity with the building when the tenant leaves.

8.3 • THE CONSENT PAPER

Planning, designation and the duties that follow

INSTRUMENT	POSITION AT OCTOBER 2026	FOR A 10 MW CONVERSION
Use class	None. Authorities treat data centres as B8 storage, sui generis, or occasionally Class E; a parliamentary answer in 2026 says the class "will depend on the individual circumstances", and office to data centre "will generally" need permission. A London committee in February 2026 approved a data centre as B8 on a warehouse site; a change to or from sui generis always needs permission	A shed or print works may already be lawful; a call centre or office is not. Pre-application advice or a lawful development certificate per site, before exchange
National regime (NSIP)	Since 8 January 2026 a data centre may ask the Secretary of State for a section 35 direction to be consented nationally; no size threshold is set; a national policy statement is in preparation	Irrelevant at our size, but it tells councils what Whitehall wants
Critical National Infrastructure	Designated September 2024; "Critical National Priority" status for grid access under consideration in 2026	A line in the planning statement and the tenant's sovereignty case
Planning and Infrastructure Act 2025	Royal Assent 18 December 2025; the powers behind the strategic-demand prioritisation of chapter 1	Watch for the distribution-level process
Noise	Conditions set separately for commercial and residential receivers; dry coolers are the loudest plant and run at about 87 dB close to; acoustic reports are standard	Screen for residential neighbours before buying; put the yard on the far side
Heat network zoning	England's zoning regime names data centres as heat sources; no duty to supply yet, but the regulations "expressly envisage" one; government is "looking at how waste heat from data centres can be used"	A future obligation on the tenant's cooling; reserve the right to connect in the lease
Business rates	2026 list from 1 April 2026: data centre rateable values up 16% in London and 22% in the South East (Knight Frank); a new multiplier of 50.8p for values above £500,000, which covers about 90% of data centres; the VOA values modern facilities on a "rentals plus" basis	The tenant's cost under a triple-net lease; a 10 MW site will cross the £500,000 line

Fire and
batteries

Building Safety Act 2022 governs; lithium
UPS batteries bring thermal-runaway risk;
UK practice borrows the US standard NFPA
855 (separate battery rooms above 600
kWh)

Tenant's fit-out; the
lease should require
compliance with a
named standard

Energy
performance

MEES applies to non-domestic lettings; data
centre halls are often argued out of EPC
scope; the position varies

Check the EPC position
per building before
marketing

8.4 • THE LEASE

One operator lease on one page

ONE OPERATOR LEASE ON ONE PAGE • POWERED SHELL • HEADS FOR DISCUSSION, NOT DRAFTING

■ LANDLORD-LED ■ TENANT-LED

1 • Parties and term

Landlord: Yeats Edge site company. Tenant: the operator. Guarantor: parent or off-taker where the covenant needs it. Term 10 to 15 years; tenant renewal options; no landlord break.

2 • Demise

The building, yard and intake room; the right to use the agreed supply of X MVA at the point of supply. Space is never the measure; the megawatt is.

3 • Rent

£750k per MW of firm supply a year, quarterly in advance, indexed annually (collar and cap stated). No turnover rent, no revenue share. Phased MW only against binding dates.

4 • Power

Connection agreement held by the landlord; supply contract and MPAN in the tenant's name; electricity at cost, never through the landlord. PUE and density declared; consumption capped at the agreed supply.

5 • Landlord scope

Structure, envelope, security line, welfare, base fire, the connection and the intake switchgear and metering. Landlord repairs these; nothing inside the intake.

6 • Tenant scope

Everything beyond the intake: distribution, UPS, generators, cooling, data-hall fire, fibre, racks, compute. Tenant installs, insures, maintains, refreshes and removes.

7 • Operations

Noise limits at the boundary (dry coolers), fuel storage, heat rejection and any heat-network duty, hours of works, access protocol with tenant escort to secure areas.

8 • Alterations and refresh

Fit-out guide and technical protocol agreed at AFL; kit turns every 3 to 5 years at the tenant's cost; landlord consent not unreasonably withheld inside the intake, never required for racks.

9 • Assignment and subletting

Assignment to a substantial operator with consent; subletting of halls to colocation customers permitted on notice; no operator group above 50% of platform capacity.

10 • Credit support

Deposit or parent guarantee where the covenant needs it; the off-taker's or chipmaker's backstop (assume-or-pay, rent guarantee, or residual value) scheduled to the lease.

11 • Default and re-let

Short cure period; landlord re-let right; step-in for the off-taker; lender's right to cure. The hall fit-out stays; the compute goes.

12 • Yield-up

Tenant removes compute and what the landlord elects; leaves the hall fit-out and connection intact; makes good to the shell; no dilapidations claim for the landlord's own scope.

13 • Security and data

Security schedule: policies, breach procedure, ISO 27001; tenant carries UK GDPR and DUAA duties; landlord warrants UK ownership and siting for the tenant's sovereignty case.

14 • Lender provisions

Direct agreement with the property lender; the tenant's contract book disclosed on request; no lease variation without lender consent.

Heads for a powered-shell operator lease, drawn from the Edge method's lease checklist, Hogan Lovells' note on UK data centre leases (30 September 2025), BCLP's note on shell-and-core structures (23 October 2025) and Gowling WLG's note on

colocation agreements (16 April 2025). Teal markers are the clauses the landlord should lead; grey the ones the tenant will. Solicitors draft; this is the commercial brief.

BCLP reports that leases are "almost always triple net", that deposits of six to twelve months' rent and parent guarantees are typical for smaller tenants, and that the yield-up clause is "one of the most heavily negotiated", with most developers requiring tenants to strip the fit-out back to shell. Our position on yield-up is the reverse. The hall fit-out is what the next operator wants, so the tenant leaves it and removes the compute. Hogan Lovells says the lease must state who maintains the "core infrastructure, such as power and cooling systems". In a fitted hall that is the landlord; in our shell it is the tenant, and the lease must say so without ambiguity because the lender's engineer will read it. Gowling WLG notes that the operator "does not own, provide or manage" the customer's equipment, and that the agreement must give the operator rights if equipment is not removed at the end. The same right belongs in our lease against the tenant's compute.

8.5 • THE CREDIT PAPER

Who pays if the tenant does not

INSTRUMENT	WHAT IT DOES	PRECEDENT	OUR ASK
Rent deposit	Cash held against arrears; six to twelve months typical for smaller tenants	BCLP, UK market	Only where a covenant needs support; substantial tenants are not asked for a fixed deposit
Parent company guarantee	The tenant's parent stands behind the lease	Standard	Always, where the tenant is a site company
Rent guarantee from a third party	A chipmaker or off-taker guarantees the rent for a period	Nvidia guaranteed up to \$860m of Nscale's rent to its Texas landlord for \$60m of warrants (chapter 5)	Ask every bidder; decide beforehand what we give
Assume-or-pay backstop	On tenant default, the off-taker pays the termination fee or takes the lease	Google at TeraWulf and Cipher	The preferred form: it gives the building a second tenant on day one
Residual value guarantee	A floor on the asset's value at the end rather than every payment along the way	Emerging in the US, per Vinson & Elkins	Acceptable for a lender; weaker for us than assume-or-pay
Direct agreement	Lender's right to notice and to cure the tenant's default; tenant's acknowledgment	Standard in financed leases	Required by any lender; draft it at the start

8.6 • THE POWER PAPER

Pass-through, private wire and the licence

- **Pass-through at cost.** Electricity is the tenant's largest bill and should not run through the landlord's accounts. The supply contract and MPAN sit in the tenant's name, with landlord metering at the intake for information only. Where a landlord supplies several tenants from one intake, it becomes a distributor and needs an exemption class: the 2001 Order's Class C covers distribution solely to non-domestic consumers, but stakeholders have told government the drafting of "on-site" and "private wire" is unclear, and a review is open.
- **PUE and density in the lease.** The tenant declares its design PUE and rack density; the lease caps consumption at the agreed supply and gives the landlord the right to

require a reduced draw to protect the connection. Colocation operators use the same clause with their customers.

- **Private wire and self-build.** Ofgem's Connect reforms will allow self-build and ownership of high-voltage assets and are considering class exemptions for large demand; a site beside generation can take a private wire under the existing exemptions, within limits that need checking per scheme. Westwood is the first scheme where this applies to us.

8.7 • THE DATA PAPER

What follows the tenant in

- **The Data (Use and Access) Act 2025** came into force in the main on 5 February 2026. The test for international transfers is now that protection is "not materially lower" than the UK's; a complaints procedure duty applied from 19 June 2026. These duties fall on the tenant and its customers. The landlord's part is to warrant that it is UK-owned, UK-incorporated and UK-sited.
- **The critical third parties regime** designated AWS, Google, Microsoft and Oracle from 13 July 2026, and the regulators are to assess AI and cloud providers next. A regulated customer of our tenant will ask where its critical services run and how they fail over. The security schedule to the lease (policies, breach procedure, ISO 27001, controlled access with tenant escort) is what the landlord can offer in response.
- **Landlord's data obligations.** Hogan Lovells puts UK GDPR and ISO 27001 compliance on the tenant and the security policy on the landlord of a fitted hall. In a shell the landlord's obligations are physical only: the fence, the gate, the cameras and the access list. The landlord should not promise anything further on data.

8.8 • WHAT IT MEANS FOR US

Seven rules for the paper

1. **Connection agreement.** It stays with the building. Before exchange, have the DNO confirm in writing that DCP181 and DCP114 apply to each site.
2. **Planning.** Before exchange, per building: a lawful development certificate or pre-application view on the compute use, a noise screen for residential neighbours, and the EPC position.
3. **Rent.** Per MW of firm supply, indexed with a collar and cap, phased only against binding dates. No turnover rent or revenue share; nothing else counts towards the rent the lender sizes on.
4. **Scope.** Landlord scope ends and tenant scope begins at the intake switchgear. Both are listed in a schedule, in plant terms, with the fit-out guide agreed at the agreement for lease.
5. **Yield-up.** The hall fit-out stays; the compute goes; the landlord elects what else is removed. Put this in the first heads of terms, because the market default is the

reverse.

6. **Credit support.** Scheduled to the lease, not promised. Parent guarantee always; deposit where needed; the off-taker's or chipmaker's backstop as a schedule, with a direct agreement for the lender.
7. **Power.** Supply contract in the tenant's name; landlord metering for information only; a reduced-draw right to protect the connection; no multi-tenant distribution until the licence exemption is checked.

8.9 • SOURCES

- Connection: [Ofgem decision on DCP181, DCP114 and DCP115, DCP463 working group minutes, 2026](#), [grid connections legal note](#); ENA 5 MVA rules and Ofgem Curate via chapter 1; Segro Slough RNS via chapter 2
- Planning: [Forsters on the NSIP route](#), [Womble Bond Dickinson via Mondaq](#), [parliamentary answer on use class](#), [OPDC committee report](#), [Premier Park, 2026](#), [FTB Chambers note](#), [RTPI](#)
- Duties: [CMS on heat network zoning](#), [parliamentary answer on data centre waste heat, 2026](#), [Knight Frank on the 2026 revaluation](#), [VOA rating manual](#), [computer centres](#), [Browne Jacobson](#), [HKA on lithium-ion hazards](#), [Green Mountain noise assessment](#), [Romford](#)
- Lease: [Hogan Lovells, 30 Sep 2025](#), [BCLP, 23 Oct 2025](#), [Gowling WLG, 16 Apr 2025](#); the Edge method's operator lease checklist
- Credit: chapter 5 sources (Nscale S-1; TeraWulf filings; Vinson & Elkins)
- Power: [Electricity \(Class Exemptions from the Requirement for a Licence\) Order 2001](#), [CMS on the exemptions review](#), [DESNZ and Ofgem licence exemptions guidance, Jan 2026](#); Ofgem Connect update via chapter 1
- Data: [Kennedys on DUAA commencement](#), [Clifford Chance](#); critical third parties via chapter 6

CHAPTER 9

What it means for us

This chapter draws the eight before it into one set of conclusions: where we sit on the chain, what we need from the layers around us, who we lease to and what we ask of them, what we offer in return, and what we do in the next ninety days. Chapter 9 of From power to answer.

IN SHORT

What is missing is not money or demand. It is a megawatt that exists.

5

first calls

10

questions for every bidder

3

options for what we give

90

days

THE NEXT NINETY DAYS

Days 1 to 30

- Two DNO letters on the seed sites
- Planning view per site
- The one-page pack
- The backstop decision, in writing

Days 31 to 60

- Five calls in one week: Nscale, Civo, Radiant, Pulsant, nLighten
- One agent retained, two sounded
- Two lenders shown the lease heads

Days 61 to 90

- TT Group on exchanges with real MVA
- Shortlist two bidders; term sheets
- Watch list reviewed: Curate decision, DCP463, Ark sale, AIRR award

Basis. Everything here rests on the evidence in chapters 1 to 8. Market study, no returns. For discussion between the partners.

THE STUDY, IN SHORT

British users need compute in Britain, there is not enough of it, and the scarce input is a connected megawatt

OUR POSITION

Layer 1, and never above it

We own the building and the connection and lease them per MW of firm supply. Our scope ends at the intake switchgear. Above it the cost of capital doubles and the asset wears out in three years; below it, at the grid, the revenue is guaranteed by the state.

THE TENANT

An operator whose end customer we can see

The tenant is a neocloud or a regional colocation operator; the credit is its customer. We underwrite the contract book, ask what its GPU debt costs, and ask who stands behind the lease.

THE PRODUCT

A connected building in Britain, available this decade

We do not sell proximity to London. Latency puts the compute in Britain; sovereignty and grid access decide where in Britain. A 10 MW building with its supply in hand sits outside every queue, fee and milestone the regulator has written since 2025.

THE PAPER

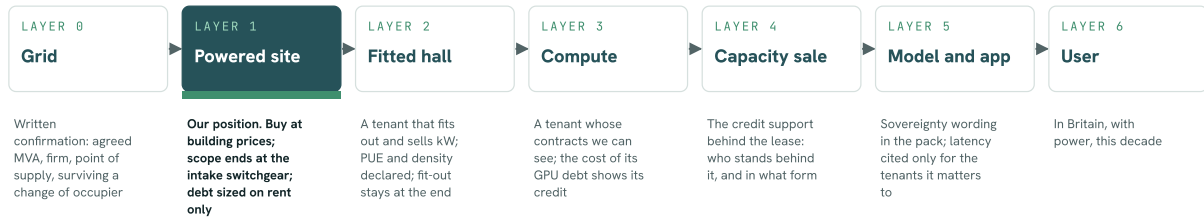
Seven lease rules, drafted for the lender and the next operator

Neither signs the lease, but both read it: the lender sizes debt on the rent, and the next operator takes the hall after this one. Yield-up leaves the hall in place; power never passes through our books; the connection stays with the building.

9.1 • THE SEAT

The chain, and our position on it

THE CHAIN, WITH OUR POSITION MARKED • WHAT WE NEED FROM EACH LAYER



Read left to right: the DNO's confirmation, our building, the tenant, the tenant's customer, the user. Our position does not change; the rest is what we ask of each layer.

9.2 • WHAT EACH CHAPTER FOUND

Eight findings, eight consequences

CHAPTER	WHAT IT FOUND	WHAT FOLLOWS FOR US
1 · Grid	The demand queue stood at 96 GW at transmission and 29 GW at distribution by June 2025; 11 to 13 GW can connect before 2030. Every reform since bites on large, new, speculative applications and none on a building that already holds its supply. 1,029 primaries publish 10 MW spare today; UKPN holds 251 of them	Buy a building with an agreed connection, not one with an application pending. Confirm the agreed supply, the point of supply and survival on change of occupier in writing before exchange. Kent and London are the right DNO
2 · Powered site	The market prices a connection at c. £0.7m to £1.2m per grid MW in the London hub. The listed landlords are moving up to fitted halls at 50 MW+; the exchange owner sells to housebuilders; nobody does 5 to 15 MW in existing buildings at scale. Our rent is c.43% of a fitted London rate for a quarter of the capital	Buy at building prices and lease at power prices. Say whether a megawatt is grid or IT load. Open talks with TT Group on exchanges with real MVA. Put the land premium per MW on every appraisal
3 · Fitted hall	Of a c.£9m London hall the landlord's share is £0.5m to £1.3m; the lessee's is £4m to £9m before a chip. Racks went from 16 to 27 kW in a year and AI racks run 120 to 230 kW; liquid cooling makes the building matter less and the yard matter more. Regional operators are consolidating with fresh debt	Define our scope as ending at the intake switchgear, in plant terms, in a schedule to the lease. Design for the yard and the slab. Ask PUE and density first. Pitch the regional operators in their own numbers
4 · Compute	A megawatt of chips costs c.£26m and must earn it back in three to six years while the hourly price swings by a factor of four. Money follows the contract; loans fall due in 2026 to 2028 before contracts pay out. No neocloud bankruptcy yet, but Gartner expects most to lose independence by 2030. Nscale's own prospectus sets out the layer's risks	Underwrite the contract book, not the brand. Prefer tenants whose debt or customer is investment grade. Deposit or guarantee through the refinancing window. Write the re-let right for a chip-owner's exit
5 · Capacity sale	Five buyers hold most of the take-or-pay value; the state is a real buyer in Britain. Marketplaces trade hours, not megawatts. Google backstops Fluidstack's leases for warrants; Nvidia guarantees \$860m of Nscale's rent for \$60m of warrants and rents back unused capacity. Europe has none of this and charges neoclouds more rent instead	Ask in the first meeting who stands behind the lease. Decide beforehand what we offer in return. Keep the rent unchanged and take the guarantee. A named off-taker is worth more than a well-known tenant

6 · Model, app and user	Half the country and a third of firms use AI; the labs have moved to London; the NHS, finance and government buy as if an onshore rule existed, and none does yet. From Kent, 59% of Britain's urban population is within 2 ms and 92% within 4 ms. Tokens got 600 times cheaper and volumes rose faster	Sell the building as compute in Britain, with power, available this decade. Name latency only to the metro-latency tenants. Sovereignty and Kent's coastal position are features we can offer as landlord. Token deflation is the tenant's risk, not ours
7 · Money	The cost of money rises with every layer: 6% at the grid, 5 to 7% against rent, 6% to 16% for chips depending on whether a hyperscaler has signed. Property lenders lend on rent and re-let value; GPU lenders lend on contracts. Hyperscaler capex is c.\$725bn in 2026 and heading for a trillion	Stay at the building's cost of capital. Size debt on rent only. Write the lease so a property lender can size debt on it. Ask bidders what their GPU debt costs. Watch for the first UK powered-shell securitisation
8 · Paper	Bilateral connection terms now survive a change of occupier and capacity cannot be cut without consent; data centres have no use class and get consented case by case; the market's yield-up strips the hall and ours keeps it; deposits of six to twelve months are typical for small tenants; the data duties belong to the tenant	Seven rules: the connection stays with the building; planning per site before exchange; rent only, no revenue share; scope ends at the intake; yield-up leaves the hall; credit support in a schedule; power never on our books

9.3 · WHAT WE NEVER DO

Five rules the evidence confirms

1. We do not fund the kit. The hall costs £4m to £9m a megawatt and is bespoke to a cooling method that changes every two years; the chips cost £26m and halve in price. Every pound spent inside the intake borrows at a hall's or a chip's rate. Chapters 3, 4 and 7.
2. No megawatt is quoted unless it is confirmed in writing. Nscale lost Microsoft at Loughton over a connection that was never confirmed. The reforms of 2025 and 2026 penalise exactly that. Chapter 1.
3. Debt is sized on rent and nothing else. Revenue share is excluded by our rules and by every lender's. Chapter 7.
4. Power does not pass through our books. The tenant's electricity bill is three times our rent. Chapter 8.
5. We do not depend on one tenant type or one operator. The exits in the compute layer are mergers and asset sales; the lease must let the hall pass to the next

operator. Chapters 4 and 8.

9.4 • THE TENANT

The target list, revised by the study

The list of 31 October stands, re-ordered on credit and with one addition. The first five remain the first five calls; only their order has changed.

RANK	WHO	WHY, AFTER THE STUDY	THE ONE QUESTION FOR THEM
1	Nscale , with BT	The strongest demand in Britain and the clearest need for power this decade: \$103bn of conditional contracts, a flagship site delayed to the 2030s, an anchor tenant lost in October. The Nvidia rent guarantee at its Texas site is the precedent we would ask for. Through the BT partnership it is the natural operator for the exchange channel	Will Nvidia or Microsoft guarantee the rent on a UK site the way they did at Ward County?
2	Civo	Still the closest match in size and thesis: 40 sites at c.8 MW for sovereign inference, build-or-lease unstated. Second rather than first because its 1 GW programme has no disclosed financing; a backstop or a partner would move it back up	Who funds the 40 sites, and will they stand behind a lease?
3	Radiant (Ori)	New to the top five. Brookfield's \$10bn AI fund behind a UK operator, Nvidia in the fund, sovereign and enterprise contracts as the model. The kind of covenant chapters 4 and 7 point to	Would Radiant take a UK shell rather than a Kao hall, and on what term?
4	Pulsant	Buys sites of our size with a £187m facility; retrofitting for density; Antin behind it. The colocation route: better covenant, more re-lettable hall, lower rent appetite	What does a 10 MW shell at £750k a MW do to their hall economics?
5	nLighten	I Squared's \$500m and an £85m private-credit facility secured on nine UK sites of 10 MW rising to 20 MW: a lender has already priced our asset class for them	Would their lenders extend the ring-fence to a leased shell?
6	Latos	A 40-site model that needs sites; funding to be tested before a lease	Who are the investors?
7	Nebius	£1.7bn in Britain, hyperscaler contracts, but a fitted-hall habit at 22 MW+	Is there a shell in the 65 MW?
8	Gravity Edge (BlackRock)	The closest strategy to ours, one layer up, with £500m. Partner or competitor; worth knowing which	Would they fit out a Yeats shell rather than buy a hall?
9	TT Group	Not a tenant; the counterparty for 4,600 exchanges with power and fibre that it has so far sold for housing	Which exited exchanges hold more than 2 MVA?

10

**Microsoft,
Google, the
AIRR prime**

Not tenants; the credit behind them and the demand our tenants sell into

Which neocloud carries your UK sovereign work, and would you stand behind its lease?

CoreWeave, Fluidstack, Lambda, Yondr, Ark and the London campus operators remain references, not targets, for the reasons in chapters 3 and 4.

9.5 • THE ASK

Ten questions for every bidder, in order

#	QUESTION	CHAPTER	WHY IT DECIDES
1	Who is your end customer for this capacity, and will they, or your chipmaker, stand behind the lease?	5	Identifies the credit support behind the lease, which decides what debt the building carries
2	What is your contracted value, your largest customer's share, and how much is conditional on delivery?	4	Nscale disclosed all three; we hold a private bidder to the same
3	What does your GPU debt cost, and who lent it?	7	SOFR plus 2.25% has a hyperscaler behind it; plus 5.50% does not
4	What density and cooling do you run, and what do you need at the intake?	3	Fixes where our scope ends; liquid cooling changes nothing outside the intake
5	What PUE do you design to?	3	Decides how much IT load our megawatt carries, and what our rent is worth to them per kW
6	When must the power be energised, and what does a six-month delay cost you?	1	Tests the premium on a connection in hand
7	Whole 10 MW or phased, and at what binding minimum?	8	Phasing shifts vacancy to us unless the dates bind
8	How many UK sites in three years, and who finds them?	2	Turns a letting into a pipeline
9	What leaves with you at the end, and what stays?	8	Our yield-up keeps the hall in place; raise it early
10	Who else have you leased from, and may we speak to them?	4	Conduct and covenant

9.6 • WHAT WE GIVE

The decision to take before the first meeting

The American landlords paid for their backstops in warrants. We have no listed equity. Three options remain, and we recommend trying them in this order.

1. **Nothing but the power.** Where the operator needs a connected building this decade, the building itself is the consideration. Nscale's position after Loughton suggests we try this first.

2. **A right of first offer on the next cluster.** Costs us nothing today, ties the tenant to our pipeline, and gives the regional operators and the neoclouds what both say they want, which is more sites.
3. **A share of exit value above a hurdle, on that site only.** The nearest sterling equivalent to a warrant. A lender can accept it because it ranks below the debt. Not a share of rent, and not revenue share.

9.7 • THE NEXT NINETY DAYS

1. **Two DNO confirmations in writing.** For each seed site: agreed supply, point of supply, firm, and confirmation that the bilateral terms endure on a change of occupier and that capacity will not be reduced without the customer's consent. Chapters 1 and 8.
2. **Planning per site.** A pre-application view or a lawful development certificate on the compute use, a noise screen for residential neighbours, and the EPC position. Chapter 8.
3. **The one-page pack.** The building, the MW with its evidence label, the programme, the lease heads of chapter 8, the conversion from grid MW to IT kW, the sovereignty wording, and for the metro-latency tenants only, the latency rings. Chapters 3, 6, 8.
4. **The decision in 9.6,** taken and written down.
5. **Five calls in one week:** Nscale, Civo, Radiant, Pulsant, nLighten, with the ten questions. Chapter 9.
6. **One agent retained** on the cluster, two sounded. Chapter 0.
7. **TT Group:** open the exchange conversation with a list of exited buildings screened on power.yeats.com. Chapter 2.
8. **Two lenders sounded** on the lease heads, before a tenant is chosen, so the heads are drafted to their requirements. Chapter 7.
9. **A watch list,** reviewed monthly: Ofgem's Curate decision (due by the end of 2026); the DCP463 working group on unidentified-customer capacity; the distribution-level prioritisation process the government has promised; the heat network zoning regulations; the Ark sale; the AIRR cloud-compute award; CoreWeave's cost of capital; and the first UK powered-shell securitisation.

9.8 • WHAT WE STILL DO NOT KNOW

- The rent actually paid on a UK powered shell; Segro's Slough pre-let is undisclosed.
- Whether any UK or European landlord has yet obtained a customer or chipmaker backstop; none was found.
- Civo's financing; Latos's investors; Datum's ownership.
- Whether DCP181 and DCP114 will be read by UKPN as protecting a long-de-energised supply; DCP463 is the risk.
- The government's distribution-level prioritisation process, promised but unwritten.

- The coupon on Yondr's AA notes, which would price our exit better than any agent.
- Whether OpenAI's Stargate UK is paused or dead, and what that does to Nscale's UK contracts.

Each of these needs a conversation rather than further desk research.

9.9 • SOURCES

Chapters 0 to 8 of this study, each with its own source list; the operator and broker target list of 31 October 2026; the Edge method and its lease checklist.

APPENDIX A

Appendix A · The cards

One card per player. Eight deep cards cover the study's eight questions; the rest are short. UK only, with the American and European names that explain a structure. Facts as published to 31 October 2026, sterling in brackets at £1 = \$1.33.

IN SHORT

Every name the chapters mention, one card each.

8

deep cards

40+

short cards

6

layers

0

approached

Basis. Market study, no returns. Ownership and figures are from company announcements, filings and trade press cited in the chapters; where a fact could not be confirmed the card says so. Nobody on these cards has been approached.

A.1 · THE DEEP EIGHT

UK Power Networks · layer 0

WHAT IT IS	The distribution network operator for London, the South East and the East of England: three of the fourteen licences, c.8.3m homes and businesses
WHAT IT IS, AS A COMPANY	Owned by Engie since 7 May 2026, bought from CK Infrastructure, Power Assets and CK Asset at a £10.5bn equity value, a premium of c.50% to the regulated asset base
WHAT IT DOES	Connects, reinforces and operates the network under Ofgem's RIIO-ED2 price control (to March 2028) and the ED3 methodology now being set
WHO RUNS IT	Engie, an energy group rather than a financial holder; a director has said data centres on its network draw only 30 to 40% of their agreed capacity
HOW IT MAKES MONEY	Allowed revenue on the asset base; ED3 early view 6.08% real cost of equity at 60% gearing; reinforcement for demand funded by the DNO and recovered from all users
WHY NOW	125 GW of demand offers in seven months; new 5 MVA application rules from 1 June 2026; Ofgem's Curate, Plan and Connect reforms
WHAT IT MEANS FOR US	Our DNO holds 251 of the 1,029 primaries with 10 MW spare and 178 of the 536 that hold to 2030. Its written confirmation of spare capacity is the first gate. Chapter 1

Segro · layer 1

WHAT IT IS	FTSE 100 industrial REIT; owner of the Slough Trading Estate, Europe's largest data centre hub
WHAT IT HOLDS	A power bank of 3.0 GVA across European availability zones (July 2026), 1.4 GVA of it to lease within seven years
WHAT IT DOES	Pivoting from powered shells to fully fitted halls in joint ventures with Pure DC: Park Royal (56 MW IT, c.£1bn, 70 MVA, ready 2029) and Paris. Still signs shells where asked: Slough, 50 MVA, pre-let March 2026 with the customer contracting power directly
WHO RUNS IT	A listed board; development capex guided at £450m to £550m for 2026
HOW IT MAKES MONEY	Rent and development profit; publishes a 9 to 10% net yield on cost for the fitted scheme
WHY NOW	Hyperscaler and neocloud demand; its own land with power
WHAT IT MEANS FOR US	The reference landlord; moving up the stack and starting at 50 MVA. Its Slough structure (landlord holds the connection, tenant contracts the power) is the one we would use. Chapter 2

Kao Data · layer 2

WHAT IT IS	UK campus operator; Harlow, Stockport (40 MW consented), Manchester (£350m, due 2026)
WHAT IT IS, AS A COMPANY	Infratil 53%, Legal & General Capital 32%, Goldacre NOÉ 15% (2023 split)
WHAT IT DOES	Builds and operates fitted halls; the landlord of choice for neoclouds in Britain: Nebius (22 MW, ten years), Ori, Civo
WHO RUNS IT	Infrastructure owners; chaired from Goldacre
HOW IT MAKES MONEY	£ per kW a month on fitted capacity
WHY NOW	Neocloud take-up of European capacity rose from 133 MW to 414 MW in a year
WHAT IT MEANS FOR US	Will not lease a Kent shell; knows every tenant on our list and what they pay. Chapter 3

Pulsant · layer 2

WHAT IT IS	Regional edge operator, 14 UK sites (platformEDGE)
WHAT IT IS, AS A COMPANY	Antin Infrastructure Partners since 2021; revenue c.£126m and EBITDA c.£24m per a data vendor, year unstated; £187m five-year facilities refreshed October 2025
WHAT IT DOES	Colocation to enterprises and the public sector; bought two SCC sites (Birmingham c.2 MW, Fareham c.3 MW) in 2025; 1.2 MW AI-ready hall at Milton Keynes and £1m into Birmingham for inference in 2026
WHO RUNS IT	Infrastructure-fund ownership; customer racks up from c.4 kW to 10 to 20 kW
HOW IT MAKES MONEY	Retail and wholesale colocation; small AI-ready increments
WHY NOW	Density is forcing refits; fresh debt for acquisitions
WHAT IT MEANS FOR US	Buys sites of our size; the colocation route to a better covenant. Fourth call. Chapters 3 and 9

Nscale · layer 3

WHAT IT IS	UK neocloud founded 2024; Nvidia holds over 5%; S-1 filed 18 September 2026 for a NYSE listing
WHAT IT IS, AS A COMPANY	H1 2026 revenue \$140.6m (c.£106m), net loss \$1.02bn (c.£770m, \$457m of it currency); \$103.4bn of active and contracted value over c.461,000 GPUs; Microsoft up to \$43.8bn and Anthropic up to \$44.6bn, conditional on delivery; largest customer 52% of revenue; "has not yet obtained binding commitments for the financing" those contracts need
WHAT IT DOES	Owns and operates AI data centres; Loughton (50 to 90 MW) grid-delayed to the 2030s and lost Microsoft as anchor on 18 October 2026; three BT sites, 14 MW; Stargate UK with OpenAI; US site at Ward County, Texas, with a \$860m Nvidia rent guarantee
WHO RUNS IT	A founder-led team with Nvidia, Microsoft and OpenAI relationships; c. £1.5bn Series C at c.£11bn
HOW IT MAKES MONEY	Take-or-pay contracts with hyperscalers and labs; sovereign pitch via BT
WHY NOW	Contracts far ahead of financed, powered capacity
WHAT IT MEANS FOR US	First call. It needs power this decade, and in Texas its chipmaker has guaranteed its rent. Chapters 4, 5 and 9

Civo · layer 3

WHAT IT IS	Stevenage cloud provider founded 2015; hosted at Kao today
WHAT IT IS, AS A COMPANY	Founder-led; THG took a minority stake (c.£1.4m) in 2021; no venture round or project financing found
WHAT IT DOES	40 UK edge sites planned at c.8 MW each for sovereign inference, c.1 GW combined; first site Hertfordshire (8 MW rising to 38); five more sites of 150 MW secured in Lancashire, Greater Manchester, London and Oxfordshire; Vera Rubin-ready, liquid cooled; build-or-lease not stated
WHO RUNS IT	Its founders
HOW IT MAKES MONEY	Cloud and GPU services sold on UK-owned, UK-incorporated sovereignty
WHY NOW	"Inference at the edge rather than training overseas"
WHAT IT MEANS FOR US	Closest to us in size and thesis; the weakest public balance sheet on the list. Second call, moving to first if a backstop or partner appears. Chapters 4 and 9

Nebius · layer 3

WHAT IT IS	Amsterdam-headquartered, Nasdaq-listed neocloud
WHAT IT IS, AS A COMPANY	Microsoft (\$17.4bn to \$19.4bn, New Jersey) and Meta (c.\$27bn) contracts; borrows at SOFR plus 2.50%
WHAT IT DOES	£1.7bn UK programme (8 June 2026): 22 MW at Kao Harlow on ten years hosting its cloud and the Token Factory inference service; three UK clusters reported at 65 MW by 2027; also at Ark Longcross
WHO RUNS IT	A listed board; a Lepton partner
HOW IT MAKES MONEY	Take-or-pay and on-demand GPU capacity; inference by the token
WHY NOW	UK sovereignty demand and the government's action plan
WHAT IT MEANS FOR US	Best-funded fitted-hall tenant in Britain; takes halls, not shells. Second pass. Chapters 4 and 9

Microsoft UK · layer 4

WHAT IT IS	The largest buyer of neocloud capacity in the world and the credit behind Nscale, Nebius, IREN and Lambda
WHAT IT IS, AS A COMPANY	c.\$60bn (c.£45bn) of neocloud contracts booked as operating cost; 2026 capex guided at c.\$190bn
WHAT IT DOES IN BRITAIN	Own regions; a supercomputer building with Nscale in its UK plans; left Nscale's Loughton site on 18 October 2026 for want of power while remaining Nscale's largest customer; designated a critical third party to UK finance from 13 July 2026
WHO RUNS IT	n/a
HOW IT MAKES MONEY	Cloud, software, advertising; AI capacity is a use of funds
WHY NOW	Capacity scarcity; it buys from anyone who can energise
WHAT IT MEANS FOR US	Not a 10 MW tenant. The credit support to ask for behind one. Chapters 5 and 9

A.2 · THE CARDS, BY LAYER

Layer 0 · Grid

WHO	WHAT	READ FOR US
NESO	National Energy System Operator, public since October 2024; runs the transmission queue; 96 GW of demand at June 2025; 11 to 13 GW connectable before 2030; to be directed by government on strategic demand	Not our counterparty at 10 MW unless the grid supply point binds
National Grid Electricity Distribution	Midlands, South Wales, South West; c.8m customers; National Grid plc since 2021 (£7.8bn)	Most industrial floorspace; no 2030 forecast in its published data
SSEN Distribution	Southern England and North Scotland; SSE plc; c.3.1m southern customers	Borders UKPN's South East; no 2030 forecast
Northern Powergrid	North East and Yorkshire; Berkshire Hathaway Energy; 3.9m customers	Yorkshire second for primaries with 10 MW spare
SP Energy Networks	Central Scotland and Merseyside, Cheshire, North Wales; Iberdrola; c.3.5m customers (Indicated)	Most spare capacity in Britain, least demand near it
Electricity North West	North West; Iberdrola 88% since 2025 (£2.1bn), Kansai-led 12%; c.2.4m connections	Same owner as SPEN
Ofgem	Regulator; ED3 methodology decided 21 May 2026; Curate consultation closed 16 September 2026 with a decision due by year end	Its 40 MW fee threshold sits above our size

Layer 1 · Powered site

WHO	WHAT	READ FOR US
Tritax Big Box	Manor Farm, Heathrow: 74 acres for an initial £70m plus 21% of phase-one profit; 107 MW (147 with phase two) consented after judicial review; powered shell subject to pre-let; 50% joint venture with an unnamed generator for two substation connections	What a listed landlord pays for powered land and needs before it builds
Harworth Group	Pure-play powered land; Skelton Grange, Leeds, two plots to Microsoft for £106m; c.0.8 GW of further connections; up to six hyperscale sites; second-site exclusivity August 2026	The purest powered-land seller; buyers are hyperscalers
TT Group (Telereal Trillium)	Bought c.6,700 BT properties in 2001 for £2.38bn; owns nearly all c.5,600 Openreach exchanges, c.4,600 closing from 2025 into the early 2030s; main lease to 2031; exited buildings sold for housing; pilot exits slipped to November 2026	The exchange counterparty; open the conversation on exchanges with real MVA
BT Group and Openreach	Leaves 4,600 exchanges, keeps c.1,000; Nscale partner on three sites, 14 MW; AI-RAN trials on EE's live network in Birmingham	A FTSE counterparty on any exchange site
Stellanor (DWS)	Eight Redcentric data centres, EV up to £127m, completed May 2026; £3.1m to £5.5m per MW derived	A UK price for small sites with power
The US miners	TeraWulf, Cipher, Applied Digital, Core Scientific: powered sites leased turnkey to neoclouds at c.\$1.5m to \$2.3m per MW a year, fit-out \$8m to \$10m per MW, Google backstops behind Fluidstack	Precedent, not UK fact
Cogent and I Squared	Converted Sprint switch sites asked at \$10m to \$17m per MW; ten sold to I Squared for \$225m, \$4.25m per MW, for an inference platform	US precedent for exchange conversion, four years ahead of the UK

Layer 2 · Fitted hall

WHO	WHAT	READ FOR US
Ark Data Centres	Elliott-owned; TPG reported in talks at c.\$5bn (c.£3.8bn), late October 2026; 27 facilities; Crown Hosting joint venture with the Cabinet Office; £807m Longcross expansion for Nebius	The public-sector channel; a sale would set a new price for UK halls
nLighten	I Squared's European edge platform with more than \$500m committed; owns Proximity (ten UK sites); £100m UK programme; £85m Rivage-led facility secured on nine sites of 10 MW rising to 20 MW; Bristol refit	Fifth call; a lender has priced our asset class for them
Latos Data Centres	Founder-led; Cardiff, three buildings, 90 MVA, under construction; Stockton £100m approved; 40 sites by 2030; investors not disclosed	Sixth; funding to be tested
Datum Datacentres	Farnborough and Manchester; 1 MW halls; ownership not confirmed online	Too small alone
Yondr	Slough 100 MW campus; £532m green securitisation rated AA, March 2026	Shows the bond market lends on let halls
Virtus	ST Telemedia with Macquarie at 40%; 18 UK sites, 300 MW+; £2.45bn from thirteen banks, September 2026	Largest UK operator; builds its own
Green Mountain	Azrieli; LON-East, Romford; a neocloud took 14 MW in September 2026	Demand proof at our size
Gravity Edge	BlackRock and DGP; Camberley to 20 MW; 5 to 20 MW sites with under-used capacity; £500m committed	Closest strategy to ours, one layer up
Equinix, Digital Realty, Global Switch, Telehouse, Vantage	The London campus operators; CoreWeave's UK landlords; Global Switch's owners have tried to sell since 2021; Vantage 223 MW in the UK	References for turnkey rent, not tenants

Layer 3 · Compute

WHO	WHAT	READ FOR US
Radiant (Ori)	Brookfield's AI cloud unit, formed with UK neocloud Ori in February 2026 at a reported \$1.3bn; part of a \$10bn Brookfield fund with Nvidia among backers; Ori's first UK region at Kao; sovereign, enterprise and telecom contracts on Nvidia's DSX design	Third call; the covenant quality the funding case needs
CoreWeave UK	Docklands, Crawley, DataVita in Scotland; c.£2.5bn UK commitment; leases rather than builds; c.\$50bn of debt, bonds above 16% in mid-October, \$104bn backlog, Nvidia commitment to April 2032	The bellwether; watch its cost of capital
Fluidstack	Headquarters moved to New York, December 2025; left a €10bn French project; \$750m at \$7bn; Google-backstopped US leases	Structure reference only
Lambda	\$926m term loan rated Baa2 at SOFR plus 3.00%, September 2026; \$1.5bn Nvidia lease-back; no UK site found	GPU debt going mainstream
DataVita	Lanarkshire AI Growth Zone, up to 500 MW; \$406m financing, August 2026; CoreWeave's Scottish host	The Growth Zone model; too big and too far
Isambard-AI and the AIRR	5,444 H100s at Bristol; twenty-fold expansion by 2030 under a £1bn roadmap; £500m Sovereign AI Unit; c.£250m cloud-compute contract tendered	Demand for our tenants, not a tenant

Layer 4 · Capacity sale

WHO	WHAT	READ FOR US
Google	£5bn UK programme; backstops Fluidstack's leases at TeraWulf (\$1.8bn rising to \$3.2bn), Cipher (\$1.4bn) and a Texas joint venture (\$1.3bn) for warrants	Originator of the lease-backstop structure we want
OpenAI	\$22.4bn with CoreWeave in 2025; Stargate UK with Nscale, reported paused; first permanent London office for 544 staff	UK plans depend on Nscale delivering power
Anthropic	Nscale up to \$44.6bn conditional; CoreWeave multi-year; London office for c.800	Same dependency
Meta	CoreWeave \$14.2bn plus a reported \$21bn; Nebius c.\$27bn	Sets the scale of one take-or-pay
Nvidia	Equity in CoreWeave, Nebius, Nscale; rents back unused capacity from 1 July 2026; guarantees up to \$860m of Nscale's rent at Ward County for \$60m of warrants	The chipmaker as guarantor
SF Compute	Market for H100 and H200 clusters by the hour; \$40m at \$300m; c.10% fee; resale recovers c.25%	Trades hours, not megawatts
Nvidia DGX Cloud Lepton	Marketplace routing developers to partner clouds including Nscale, Nebius, Fluidstack, Scaleway, Mistral; no rate card	A channel our tenant's cluster can sell through
Vast.ai, Shadeform	Peer-to-peer market at c.\$2.13 an hour; aggregator across twenty clouds at no buyer fee	The price floor; the easiest way to buy hours
Together AI, Fireworks, Baseten	Inference platforms at c.\$1bn of annual revenue each; rent capacity and sell tokens	Wholesale buyers of our tenant's hours
Crown Commercial Service, Crown Hosting, the AIRR prime, the MoD	G-Cloud 15 live from 6 August 2026; Crown Hosting awards; a c.£250m research-compute prime; the MoD's £180m framework with an edge compute lot	The state as buyer; our tenants' route to it

Intermediaries and advisers

WHO	ROLE
CBRE, JLL	Retained-agent candidates on a cluster; CBRE writes the UK and European outlooks used throughout
Cushman & Wakefield, Knight Frank, Savills, Avison Young	Market soundings; Savills' H1 2026 Spotlight and Knight Frank's rates note are cited
DC Byte, datacenterHawk, Structure Research, DCD	Who is leasing what, where, at what MW
BCLP, Hogan Lovells, Gowling WLG, Ashurst	The names on UK shell-and-core, lease and colocation guidance

From power to answer · bound edition · draft of 31 Oct 2026 · For discussion. Each chapter keeps its own source list.