Rating the Cloud: Evolving criteria for data centre ABS

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Most conversations today are punctuated with the mention of Artificial Intelligence (AI) – from corporate boardrooms to kitchen tables, and it is almost impossible to speak of AI infrastructure without speaking of data centres. This is in spite of the fact that data centres were in existence prior to the AI boom and support more than AI infrastructure, including cloud computing, streaming, online banking, etc. There is no doubt that in the last few years, the growth of data centres has been both exponential and explosive. The global data centre market size was valued at approximately US$386.71bn in 2024 and is now projected to reach around US$1 trillion by 2034 – a compound annual growth rate of 11.24%.[1]

With the rise in data centre infrastructure has come a surge in financing targeted at both new construction and stabilised data centres. As a result, capital markets are taking centre stage as a source of financing for data centres. More particularly, there has been an uptick in data centre securitisations. The market for securities backed by digital infrastructure has been predicted to grow by 46% by the end of 2026 to roughly US$115bn, with data centres currently accounting for 61% of the current US$79bn market for digital infrastructure securitisations.[2] According to one forecast, up to 75% of data centre refinancing is likely to come through ABS transactions.[3]

Data centre infrastructure as a securitisation asset class has come to be particularly appreciated for its ability to seamlessly straddle two different types of securitisation products – asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS). For asset-backed securities, cashflow is from payments by data centre tenants, who pay for leasing data centre space and, in some cases, other ancillary services, while for commercial mortgage-backed securities, cashflow is from principal and


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interest payments on the loans backed by data centre infrastructure, although this is in turn dependent on payments from tenants.

While the rating criteria and methodology for data centre CMBS have not changed much, as rating agencies have mostly relied on existing non-data centre CMBS methodologies for decades, the ratings for data centre ABS have been evolving, as rating agencies, sponsors and investors alike have attempted to fully understand the asset class, the market and the various fundamentals.

Why do the ratings matter?

Rating agencies provide a common and transparent global language for investors. Generally, structured finance deals require an independent assessment of risk and transparency, particularly as structured finance products are complex. Apart from that, securitisation concepts like isolation of the underlying assets through a true sale to a special purpose entity and tranching of securities allow for the possibility of obtaining ratings on the securities that are higher than the ratings of the originator of the assets. In instances where below-investment-grade leveraged loans are the underlying assets in question, by analysing various factors the rating agencies are able to assign investment-grade ratings to the securities backed by these loans. All of this means that an issuer is able to attract investors who do not have to rely on the ratings of the originator or the underlying assets, but can rely on potentially higher ratings of the securities. In short, ratings provide useful insights and act as an enabler for structured finance deals.

With data centre ABS being relatively new in the market, and with some investors not fully conversant with the asset class, investors who need to understand the credit quality and risk profile of the asset class as well as get comfortable with the transaction structure have come to find ratings helpful in making investment decisions. It should be noted, however, that these ratings are in no way recommendations for investment, and investors ultimately have to make independent decisions on investing in data centre ABS.

As data centre ABS continues to gain traction, some rating agencies have revised their existing rating methodologies and criteria for data centre ABS or have formulated new ones. Fitch released its exposure draft for data centre securitisations rating criteria in July 2025 and published its final criteria on September 16, 2025. Morningstar DBRS released its revised rating methodology for data centre securitisations in April 2025 and Moody's released its data centre ABS rating in February 2025. S&P released its criteria for data centre securitisation in 2024.

Rating agency considerations[4]

Although a good number of data centre ABS deals have been rated, starting with the Vantage Data Centre ABS which was rated in 2018 by S&P under its old rating criteria, the criteria and methodology for rating data centre ABS has largely remained uncertain to investors and other deal parties alike. This is unsurprising, as the rating agencies themselves have needed time to establish specific rating criteria for the asset class. For many of the rating agencies who had the opportunity to rate data centre ABS, they combined methodologies and criteria from CMBS ratings criteria and regular ABS criteria for rating fibre ABS or related assets, with many of them capping their ratings. KBRA, for one, has stuck with this methodology and is yet to develop specific criteria for rating data centre ABS.

This piece examines the approach of rating agencies to data centre ABS, as well as the risks they generally consider, while identifying the differences in rating methodology across Moody's, S&P and MorningStar DBRS.

Moody's

The Moody's criteria addresses the various risks by understanding that potential losses to investors in data centre ABS transactions are primarily driven by declines in lease revenues and increases in expenses that weaken cashflow. As a result, they identify the key risks, which are generally set out further below. Moody's rating for data centre ABS is uncapped.

Moody's rating methodology for data centre ABS has three levels of analysis – asset analysis, portfolio analysis and structural analysis.

Asset analysis

The asset analysis involves modelling the revenues from the data centre tenants and the defaults for large tenants based on their credit quality. The annualised base revenue (ABR) is then determined from there. The ABR is modelled at each period until the earliest of (a) the end of the economic useful life (EUL), (b) the end of the site lease or (c) the legal final maturity.

In other words, Moody's aggregates the results from the asset-level analysis to obtain the portfolio cashflows, and then uses this in conjunction with transaction structure modelling and priority of payments (waterfall) to evaluate performance of the securities.

Portfolio analysis

For the portfolio analysis, Moody's aggregates the net cashflow at the portfolio level by subtracting all assumed expenses (operating expenses, capex, utility expenses, management fee, tenant improvements and leasing commissions). That amount is then applied to the structure to project the cashflow available to the ABS securities and then expected losses are derived.

Structural analysis

For the structural analysis, Moody's calculates the average loss for the securities and the weighted average life (WAL) across all iterations of the simulation and compares it to its idealised loss tables at each rating level. The effectiveness of triggers (like those that result in early amortisation or cash trapping for instance) are also analysed. Liquidity risks are analysed too, including whether the available liquidity in the transaction is sufficient to cover senior transaction expenses, timely interest payments on the securities and unanticipated spikes in capex.

Counterparty risks are also considered when reviewing transaction structures – hedge counterparty risk, commingling risk and operational risk (from the manager, cash manager, calculation agent, trustee or any third-party service provider).

In applying its methodology, Moody's considers all factors that it deems relevant to its analysis, especially where there are unique characteristics of the transaction.

Some key components of Moody's analysis are examined below:

Moody's volatility factor

As part of Moody's analysis, each data centre is classified into one of five groups to determine the volatility factor used to project future simulated ABR and the revenue growth caps – the revenue growth cap of each group is inverse to the volatility. For instance, a revenue growth cap of 175% equals a 5% volatility factor (reflecting a likelihood of stable future revenues), and a revenue growth cap of 20% equals a volatility factor of 23% (reflecting a likelihood of highly volatile expected revenues). The volatility factor accounts for uncertainty stemming from re-leasing risks, supply and demand dynamics, evolving technology and the likelihood of obsolescence, changing efficiencies and power costs.

This grouping for Moody's is based on several factors including:

(a) whether the data centre is purpose-built, newer, larger, more energy-efficient and utilises water more effectively, including consideration for redundancy levels, power density and operational performance records (where energy efficiency is the same, Moody's favours green energy sources);

(b) whether the data centre is a powered shell data centre (just bare structure is provided to tenant, so no infrastructure costs) which typically has a lower risk profile or a turnkey facility which has a higher risk profile (due to potential cashflow volatility as higher rent is generated due to extensive infrastructure and full service nature);

(c) if it is a hyperscale data centre (stable cashflow and higher credit quality) or colocation (more volatile);

(d) if the location has access to robust, relatively low-cost and reliable sources of power, low latency and access to high-density fibre networks, favourable tax incentives and efficiency standards, which would mean less volatility;

(e) what the average lease term is – longer lease terms result in more stable cashflows, lower tenant rollover costs and a high tenant retention rate;

(f) the track record and expertise of the manager; and

(g) credit quality of tenant, length of tenancy and tenant concentration.

Economic useful life

The Economic Useful Life (EUL) of a data centre is one of the factors that can determine obsolescence of a data centre. Assumed EUL by Moody's is 30 years. This is the same for S&P. Fitch, however, keeps EUL at 25 years.

Some of the things that can affect EUL assumptions for Moody's include the manager's track record, the capex and renovation history, whether the property is a powered shell or turnkey (powered shells may have a longer assumed EUL as they are not subject to technological obsolescence like turnkey data centres), strong demand, limited supply conditions, geographical locations with low energy costs and less strict compliance required with energy efficiency regulations.

Forward-starting leases

These are leases expected to start generating cashflows on a future date. Future cashflows are modelled from these leases only if most of the associated construction costs have been spent and termination risk is limited. If the transaction sponsor has low durability, however (i.e. is not a financially stable and experienced entity), it may be modelled only if rents will start being paid within 12 months of the cut-off date.

Liquidation proceeds

For properties owned in fee simple, liquidation proceeds from the sale of the land on the legal final maturity (or any other liquidation date) are modelled into the transaction structure. Data centres subject to site leases do not get liquidation proceeds modelled. This is the same for the S&P criteria and the Fitch criteria.

Legal risk

Legal risk is also one of the risks considered, particularly with respect to bankruptcy remoteness, true sale, substantive consolidation and perfection & enforcement of security by the trustee. For recycled SPV, Moody's looks for confirmation of no outstanding liabilities from previous activities. It also considers a non-recourse carve-out guarantee from a third party, which provides full recourse for bankruptcy or other insolvency events, to be a positive feature. Early termination provisions generally pose a risk, and unless there are mitigants like a large disincentive to terminate, all risks from early termination will be incorporated into modelling analysis. ESG considerations may also affect ratings. Credit quality, experience and expertise of the servicer are also reviewed.

S&P

S&P's framework for rating data centre ABS focuses on two key things: (a) the risks associated with the credit quality of the pool of securitised assets and (b) the payment structure and cashflow mechanics that support the transaction, with assumptions made about the value of properties at time of sale, revenue streams from contracts signed after closing and the tenants' ability to meet their contractual obligations.

S&P's approach to rating data centre ABS is a step-by-step analysis as follows:

Determine the utility score

This factors in the ability of the property to maintain its competitive advantage over time and the risk of obsolescence and is based on factors such as location (which can affect latency), age of facility (newer buildings get better scores although older buildings that have undergone major capital improvements could also benefit from better ratings), cost of power (nature of energy sources, although a secondary consideration can affect this score), redundancy, interconnectivity and power efficiency. A lower utility score, for instance, means the property is less likely to maintain competitive advantage over time and would negatively affect the deal's rating and vice versa.

With respect to cost of power, if cost of power is the same, facilities with a greener energy matrix rank higher. This is similar to DBRS's and Moody's methodologies that favour renewable/green energy.

Determine liquidation value and timing

Similar to Moody's criteria and Fitch's criteria, this applies only to properties where the issuer owns the underlying data centre and the land, owns the land and not the data centre or owns the data centre with exposure to a ground lease with a sufficiently long remaining term.

Estimate how lease income may alter over time and the size and stability of any other revenue sources available to the issuer

S&P views additional revenue from interconnection fees, managed services, "remote hands" support etc. as more volatile than lease-related income, so it excludes them from analysis or subjects them to more stress tests. S&P also views interconnection fees (cross-connections) to be a most stable form of alternative revenue sources.

Apply utilisation stress to account for fluctuations in delinquency and occupancy over time

A single investment-grade tenant with a long-term lease has lower cashflow volatility than, for instance, a diversified pool of tenants with short-term leases. For diversified tenant pools, ratings from third-party credit agencies may, however, be considered as rating inputs to a limited extent if made available, but they are not used if tenant exposures are a substantial driver of ratings analysis.

Assess operating expenses and utility expenses

S&P models these (including manager's fees) as a senior expense to liability interest, irrespective of its place in the waterfall. For discretionary capital spending, utility score is used to estimate (lower utility scores require more capital investment, but for utility scores that are really low, the modelling assumption is that capital investments will not be made as such properties have a shorter EUL).

Estimate exposure to broader risks (construction or development risk and forward-starting leases)

For unmitigated or insufficiently mitigated construction risk, S&P excludes any cashflows from properties still under construction from the analysis, while including the securitisation's exposure to the costs and potential liabilities of construction. For forward-starting leases, S&P's approach is different from Moody's in that it considers (a) the estimated time to occupation and (b) the proportion of the facility that is fully complete, and they will expect to see mitigants like reserves (and would not include future sources of income that exceed 15% of the income from a specific property or 10% of the pool at closing). Where there are variable funding notes (VFNs) (which allow outstanding principal balance to be increased through future drawdowns and can increase total outstanding debt of master trust), S&P uses the maximum amount of debt allowed for a given programme for its modelling, unless a structural mitigant is available.

Apply framework for wider structured finance securitisations

Here, operational and administrative risk, counterparty risk, legal and regulatory risk are assessed under existing S&P approaches.

Morningstar DBRS

Morningstar DBRS's approach to rating data centre ABS appears to be more conservative. It also gives significant weight to historical data for the purpose of making its analysis, including at the property level, for cashflow analysis, expenses and revenue assumptions and loan-to-value (LTV) sizing benchmarks. Its first AAA data centre ABS was rated in February 2024.

Much like S&P and Moody's, DBRS has a step-by-step approach to its analysis:

Property level analysis

Here DBRS reviews each data centre (or a representative sample if there is a large portfolio of them) to ascertain condition and quality of the property. There is also a review of the data centre operator.

Morningstar periodic NCF analysis

After the property-level analysis, DBRS estimates the net cashflow (NCF) over the life of the transaction.

Determine Morningstar DBRS value

This is determined by the sum of the discounted periodic NCF analysis above and the discounted terminal property value (which is derived by marking the Periodic NCF to the

expected maturity date and applying a stressed capitalisation rate to it).

Apply LTV sizing benchmark

Next, DBRS focuses on analysing the capacity of the property or the property portfolio to service the analysed debt. DBRS notes, in this regard, that with limited historical loan performance due to the nascent nature of data centres as an asset class, the historical performance of CRE assets and debt as a base estimate for data centres is a reasonable proxy applicable on a global basis.

Adjustments to LTV sizing benchmarks

This may be made to address additional factors that may affect the transaction's credit risk. Factors such as power availability, connectivity, renewable energy, redundancy, deal structure, and any country- or jurisdiction-specific considerations are accounted for.

Legal review and transaction structuring considerations

Consideration is given to the typical legal and transactional structured finance aspects as well as various counterparty risks. DBRS also evaluates the structure of the transaction, key parties, waterfall and the operational risk of the servicer and special servicer. Even in cases where there is no tranching on a deal, DBRS may incorporate other forms of credit enhancement including cash traps, cashflow sweeps, springing reserves and hyper-amortisation in its modelling.

Operational risk review

DBRS undergoes an operational risk review of the servicer and their capabilities and how it may affect transaction performance.

Below are highlights of some of DBRS's key considerations in rating data centre ABS:

Cashflow

When analysing property-level cashflow, DBRS conducts an analysis of the historical cashflow in order to determine the sustainability of cashflows over time. Lack of historical data with respect to rents, ancillary revenue, expenses and ongoing tenant churn may result in larger haircuts to preserve a conservative analysis. DBRS's analysis of data centre revenues (including ancillary revenues) is a three-year lookback at the data centre's historical financials. Even where there is an assertion that the data centre will incorporate increased pricing in the future, additional credit will only be assigned where evidence is shown.

Power supply

Like S&P and Moody's, DBRS favours renewable energy, while acknowledging that it can be slightly more expensive than fossil fuel, but appreciates the fact that it can protect from energy price fluctuation and will not suffer restrictions or additional costs as utilities convert generation capacity away from fossil fuels.

Redundancy

DBRS also gives additional credit for data centres with higher levels of redundancy built in.

Vacancy

For wholesale/hyperscale data centres that are fully leased, DBRS applies up to a 10% minimum vacancy assumption to the rent and reimbursement revenue (representing frictional vacancy over time). Actual vacancy is deducted from gross potential rent if the property contains vacant or unleased space. Where market data provides a higher assumption, market data may be relied on by DBRS instead. Fitch, on the other hand, applies between 7.5% to 10% minimum vacancy assumption, which is higher for data centres with equipment risks (such as ownership of servers by sponsors).

Diversification

Data centres in more than one physical location diversify risks for DBRS. DBRS typically determines appropriate portfolio benefit of transactions collateralised by a portfolio of assets by taking the sum of the property count diversification, metropolitan area diversification and the state/country count diversification. Those with diversification beyond these may benefit from extra credit.

Fitch

Fitch has previously used its CMBS Large Loan Rating Criteria and its Digital Infrastructure Securitisation Rating Criteria to rate data centre CMBS, but as of July 2025 was

seeking input on certain questions in its exposure draft: (a) whether the criteria framework of the CMBS Large Loan Rating Criteria should be used to assess and assign ratings in structured finance data centre transactions, including both CMBS and ABS structural features, (b) whether the residual value of a data centre represents a relevant consideration in recovery/liquidation value of a data centre as with other commercial real estate properties and (c) whether the rating approach for properties with anticipated repayment date (ARD) features should result in higher leverage if all else is equal. Fitch has now published its final criteria.

For Fitch, data centre transactions that rely solely on the right to receive will require an additional analysis of long-term case cashflows and paydown dynamics for note redemption ahead of legal final maturity. Fitch also favours the ARD structure and may provide increased rated leverage based on an expected paydown analysis compared to a transaction with limited or no amortisation.

Rating cap

For Fitch, AAAsf ratings are consistent with data centres that exhibit strong attributes or data centres that exhibit a mix of strong and midrange attributes, especially with strong sponsor/operator attributes and long-term investment-grade tenancy. As with the other rating agencies, hyperscalers are treated more favourably in Fitch's analysis due to their high investment-grade tenants, while colocation spaces get treated with less favourable credit assumptions.

Some of the instances where Fitch intends to consider a rating cap are:

- leasehold ownership structure where ground rent is a large expense relative to property revenues;
- where there is substantial completion risk;
- colocation data centres with exposure to non-investment-grade tenants and mark-to-market risk (for Fitch, this may, however, be mitigated by high barrier to entry location, below market rent and significant tenant diversity);
- EUL of less than 20 years and technology beyond 5-7 years of the latest designs;
- poor redundancy and power usage efficiency expectations;
- location not in high demand area;
- high tenant concentration and/or high rollover risk without mitigating factors; and
- inexperience and lack of track record of the data centre operator.

AI vs cloud data centres

Something that was not seen in the methodologies and criteria for other rating agencies is the juxtaposition of AI and cloud data centres. Fitch's assumptions for data centres serving cloud or streaming based needs (for which low latency is crucial) assume greater stability for cloud over AI. Also, Fitch notes that cloud computing drives the majority of demand in primary markets and has a longer track record than AI. It remains to be seen if Fitch will update this position in the near future, given the current growth levels of AI.

Liquidity analysis

For liquidity analysis, the servicer or backup servicer is expected to comply with Fitch's counterparty criteria. It also reviews alternative liquidity features – for an AAA rating, there must be at least 12 months' liquidity in reserve.

What risks are the rating agencies solving for?

A common thread across the rating agency methodologies is that there is a precise and tailored approach to their analyses.

For Moody's, S&P and DBRS, they commence with an analysis at the asset/property level, then proceed to the portfolio or cashflow level, then to the transaction structure, carefully checking the inherent risks at each stage and building on the scores as they go along. Fitch analyses similar metrics, albeit not explicitly stated to be in that order. We see also that each part of the rating agencies' analyses has the ability to affect the other; for instance, a certain type of transaction structure or legal protection, even if analysed at the tail end of the analysis, could serve as a mitigant for a score assigned at earlier

levels of analysis in determining the final rating. Another thing we find is that across all the rating methodologies and criteria, certain risks are pervasive and constant and feed into each analysis, regardless of the approach taken. They include:

- **Tenant default risk:** Across all the rating agencies, the risk of tenants defaulting is a significant risk that goes to the stability of the cashflow, hence in many cases, large investment-grade tenants and hyperscale data centres are modelled favourably when compared to smaller tenants and colocation data centres. By modelling the ABR in its asset analysis, Moody's attempts to solve for this at the very top of its methodology, and S&P also factors it into its two key ingredients that affect cashflow, as does DBRS.
- **Geographical concentration risk:** As seen from the various analysis, geographical location could determine proximity to subsea cables, other data centres and large metropolitan areas, which could affect latency, the number and kind of tenants and the volatility or otherwise of cashflow. Proximity to power supply and water supply can also be a challenge for poorly located data centres.
- **Site lease risk:** Preference for rating agencies is for owned data centre sites as opposed to site leases. Owned data centre sites also have the possibility of benefiting from liquidation proceeds. With site leases, leasehold interests could terminate if the lease final maturity date is before legal final maturity, affecting EUL assumptions, amongst other things.
- **Re-leasing risk:** Lease non-renewals can expose the transaction to uncertainty in revenue. As revenue from tenants' payments is a key part of the ratings of all the rating agencies, where there is a risk that the leases will not be renewed, ratings are directly affected. Long-term customer contracts are also given more favourable assumptions than short-term contracts. The risks attached to forward-starting leases also fall under this category.
- **Operational risk:** Things like efficiency of power supply, water supply, expertise and track record of the manager or other service providers in the securitisation structure could pose operational risks, which could ultimately affect cashflow. This is particularly modelled into Moody's transaction structures reviews. DBRS also closely reviews the risks associated with the servicer and special servicer.
- **Legal and transactional risk:** Risks that arise as a result of transaction structure and failure to build in relevant deal protections (including true sale, relevant security creation, enforcement and perfection mechanics, DSCR triggers etc.) into the deal documents could affect cashflow. Failure to comply with relevant regulations could also result in risks that can affect the transaction negatively. Rating agencies attempt to solve for this by reviewing transaction structure and legal documents.
- **Risk of obsolescence/technological risk:** This risk is modelled across all the rating agencies, but the Fitch criteria particularly caps ratings on data centres with technology beyond 5-7 years of the latest designs. This risk is even more critical with the rapid advancement of technology. Older data centres in a securitisation may negatively impact supply/demand dynamics and affect cashflow.
- **Environmental risk:** This is the risk that a data centre will run afoul of environmental and energy regulations in its jurisdiction. While environmental risks are not modelled as key risks in rating agency considerations, Moody's, for instance, indicates that ESG considerations affect ratings. DBRS and S&P also indicate preference for clean energy sources of power for the data centres in the ABS they rate. All the rating agencies also build in regulatory risks in some form as part of their analysis.

Looking forward

As data centre ABS matures into a distinct asset class for rating criteria, the increasing clarity and rigour of rating agency methodologies offer a subtle promise – to unlock broader participation across the investor landscape. Better still, with the demystification of methodologies and finding of common denominators across the various rating agencies' data centre ABS criteria, investors, sponsors, and other transaction parties can be better positioned to proactively address key risks unique to data centre ABS from the asset development phase to the deal structuring phase.

While certain aspects of the deal may be less flexible at the time of the securitisation of the assets, securitisation transaction parties can work to structure the transaction to provide mitigants and solve for the risks that could affect ratings, given that market participants now have clearer benchmarks and risk parameters to guide their strategies.

Given how quickly technology is evolving, the market must still remain alert to equally evolving risks and refinements in rating agency criteria. The rating agencies, too, now play the important role, it may appear, of an umpire in the data centre ABS field. They are also in many ways catalysts of expansion, resilience and sophistication of the data centre ABS market, as a well-rated data centre ABS can facilitate access to deep pools of capital and foster long-term market confidence. Ultimately, robust ratings methodologies serve as both a gateway and a guardrail, enabling market growth while providing another avenue for information and analysis to investors.

Continued interaction among sponsors, investors, lawyers and rating agencies will be key for the future of this market; dialogue on new methodologies and attention to emerging risks, including rapid technological change and the developing regulatory landscape, will define future best practices.

Looking forward, the expectation is that we will see more data centre ABS deals and, consequently, more ratings of the same. Perhaps we could even see an increased number of ratings above A, and possibly up to AAA.

With Fitch's final rating criteria also now published, there is much to anticipate in this market. One cannot but wonder too, given its significant involvement in data centre ABS ratings, if KBRA would look to design a data centre ABS specific methodology soon or if they would conclude that their current approach is more flexible.

In parallel with the maturation of the data centre ABS market, rating agencies are witnessing growing activity in data centre-adjacent securitisation, such as those involving specialised hardware (e.g. GPU financing) and emerging "as-a-service" business models, including AI-as-a-service (AIaaS) and broader digital infrastructure-as-a-service offerings. These structures differ from traditional data centre ABS by introducing new assets and contractual arrangements, such as hardware leasing, revenue streams linked to subscription-based AI or digital services, and greater operational complexity.

As investor interest broadens to these more niche and highly esoteric segments of digital infrastructure – with their attendant potential for higher yield and technology risk – rating agencies are prompted to assess entirely new risk dimensions. This may involve evaluating collateral performance volatility stemming from rapid hardware evolution, customer concentration in the nascent AIaaS industry, integration, and technological obsolescence risks, as well as the robustness of service contracts and long-term cashflow visibility.

As a result, rating criteria for these innovative financings are likely to remain dynamic and increasingly granular, combining lessons from traditional ABS, equipment leasing and technology credit analysis to accommodate the distinctive features of these asset classes. This evolution, in turn, could pave the way for a broader investor base and deeper capital market participation across the digital infrastructure spectrum.

Notes

1. Precedence Research, "Data Center Market Size Hits US$1,008.65bn by 2034", https://finance.yahoo.com/news/data-centre-market-size-hits-103000410.html.
2. Bank of America quoted in Bloomberg, Scott Carpenter, "Data Centers to Propel Infra Securitizations Past US$110bn by 2026 End" https://www.bloomberg.com/news/articles/2025-08-25/data-centers-to-propel-infra-securitizations-past-110-billion-by-2026-end
3. Matt O'Brien, "Analysis: Data center refis to spur ABS issuance - ION Analytics" https://ionanalytics.com/insights/infralogic/analysis-data-center-refis-to-spur-abs-issuance/
4. The views expressed here are the views of the authors as understood from various rating agency criteria and methodologies, and not the views of the rating agencies. The rating criteria and methodologies can be found on the website of the relevant rating agency.

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