

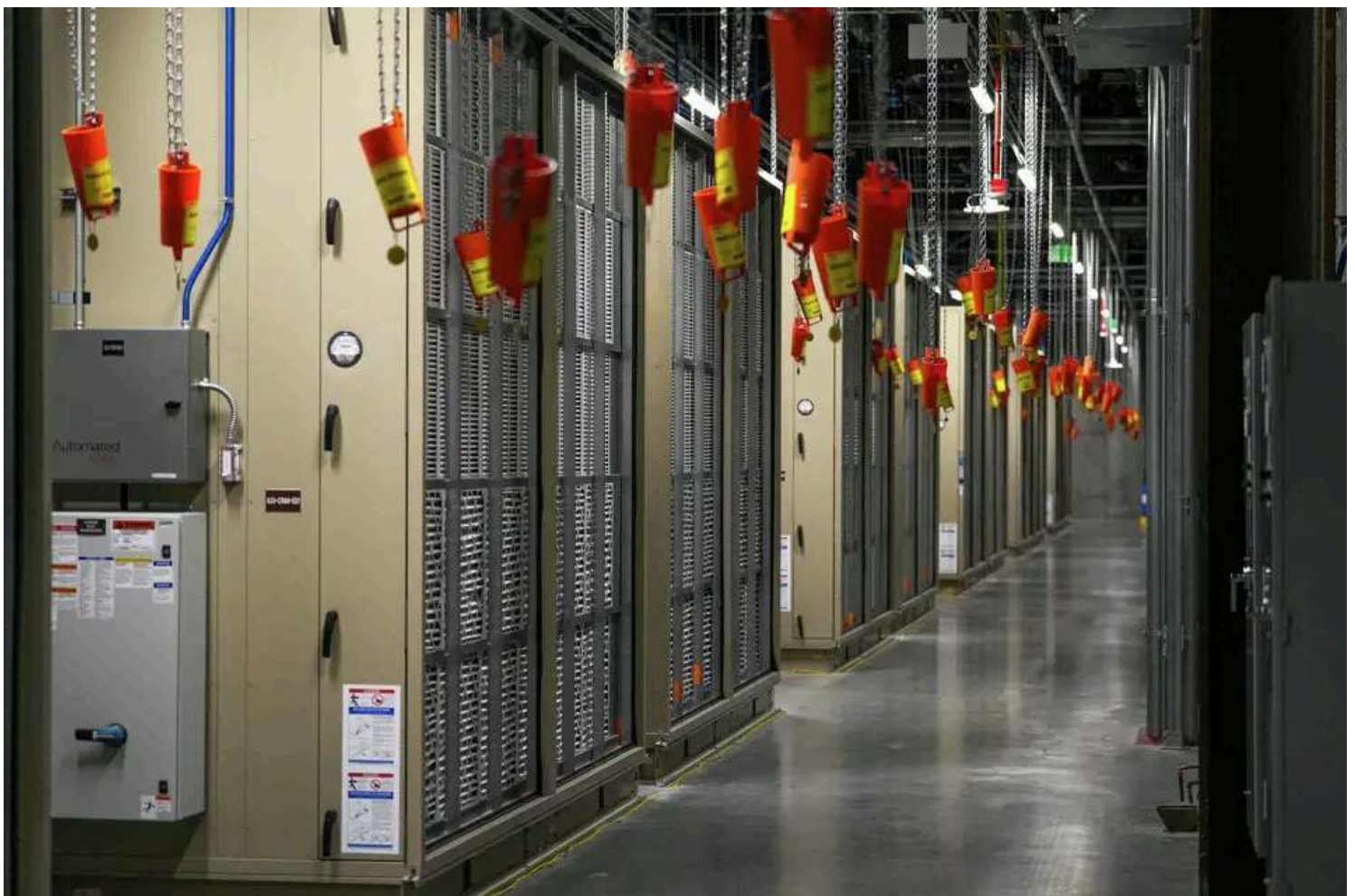
**BUSINESS // TECHNOLOGY**

## Texas poised to become world's top data center market by 2030

New research suggests Texas could soon lead the world in data center capacity, even as residents raise alarms about water use and grid strain.

By **Karoline Leonard**, Staff Writer

Feb 20, 2026



Large air conditioners push cool air into server rooms at the Sabey Data Center in Round Rock on Aug. 11, 2025. Texas, Tennessee and Ohio are considered among the top emerging data center markets.

Aaron E. Martinez/Austin American-Statesman

From rural counties to fast-growing suburbs, data center projects are spreading across Texas and, often, drawing local opposition. Now, thanks in part to its business-friendly regulatory climate, Texas could surpass Virginia as the world's top data center market by 2030, according to [new research from real estate firm Jones Lang LaSalle](#).

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Northern Virginia has long been the nation's data center capital, with computing power serving the U.S. government and major companies like Google. But developers are increasingly turning to the Lone Star State.

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Jones Lang LaSalle's research found that more than half of all data center construction in the U.S. is happening outside of the industry's traditional hubs. Texas, along with Tennessee and Ohio, is among the top emerging markets.

The state already has 6.5 gigawatts of data center capacity under construction, according to the firm. That accounts for one-fifth of the 35 gigawatts of data center capacity the U.S. added to its pipeline last year. One gigawatt can power about 750,000 homes on average.

## What are data centers?

Data centers are large facilities that provide critical infrastructure to support digital activity and the growth of artificial intelligence.



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Big tech companies like Amazon, Microsoft, Google, OpenAI and Meta plan to spend more than \$600 billion on AI infrastructure this year, even as Wall Street expresses concern about the [AI bubble bursting](#).

But these facilities require massive amounts of power and water to operate.

The Electric Reliability Council of Texas, the state's main grid operator, said data centers will cause Texas energy demand to surge 71% by 2031. Recent research suggests that [training and using AI could consume more water than the global bottled water industry](#), largely because of data center operations.

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An average 100-megawatt data center in the U.S. consumes about 2 million liters of water a day, according to an April report from the International Energy Agency — roughly the same as 6,500 households. The report projects global data center water use could reach 1.2 billion liters a year by 2030. Some facilities use even more. Large data centers can draw up to 5 million gallons a day, according to the Environmental and Energy Study Institute — about as much as a town of 50,000 people.

In Northern Virginia, [data centers consumed 1.85 billion gallons of water in 2023](#) — two-thirds more than in 2019. In Georgia, construction of a Meta data center led to sediment buildup in water infrastructure that affected nearby homes.

## Why Texas?

Texas has long cultivated a regulatory and tax environment favorable to business, attracting major corporations with incentives and abundant land.

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For data center developers, it's a big draw.

These massive facilities require extensive land and cost billions of dollars to build. Because they house millions of computer servers, they consume large amounts of power and water and often require detention ponds and diesel generators for backup power.

In recent years, state leaders have discussed the need to accommodate these large facilities via infrastructure expansion and new grid management strategies. Texas is also home to one of the largest renewable energy markets in the country, drawing developers to the area.

Another major draw is a lack of zoning regulations in counties.

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A [relatively new state law](#) allows developers to de-annex property from the city, meaning that because Texas counties generally lack zoning authority, developers have a much easier path to approvals and permitting.

Central Texas has [emerged as the top secondary data center market](#) in the country, with the American-Statesman identifying at least 55 completed or planned projects between Temple and San Antonio in 2025.



San Marcos residents protest a proposed \$1.5 billion data center during a City Council meeting Tuesday. Hundreds packed City Hall to oppose plans to annex and rezone the site. The council voted down the proposal 5-2.

Karoline Leonard/Austin American-Statesman

## Community opposition

While developers and big tech want to build in Texas, not all residents are happy about these data centers.

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Across Texas, community members have spent hours speaking during public comment periods at city council and county commissioners meetings.

After nearly a year of pushback, the [San Marcos City Council this week](#) voted down a proposed \$1.5 billion data center planned for land partially within city limits. Hundreds of residents packed City Hall, filling nearly nine hours of public comment with pleas to block the project.

Pushback there has also led Hays County Judge Ruben Becerra to [suggest a moratorium on water-intensive industrial projects](#) like data centers. The Hays County Commissioners Court will discuss the temporary ban Tuesday.

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Round Rock [approved a data center project last week](#), despite pushback from residents in another hours-long meeting.

Feb 20, 2026



**Karoline Leonard**

TECHNOLOGY REPORTER



Karoline Leonard joined the Austin American-Statesman in November 2024. Leonard graduated from The University of Oklahoma in May 2024, where she worked in student media as a reporter and news editor and later served as editor-in-chief of OU Daily. She previously interned at the Tulsa World and BusinessDen via the Dow Jones News Fund business reporting program. Leonard hopes that through her reporting she can hold those in power in the technology industry accountable while also making tech news accessible to all readers. She encourages anyone with story ideas, tips or feedback to reach out to her via email.

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