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New State of the Data Center Report: Hybrid IT Now Dominates Enterprise Architecture, with Colocation Anchoring Critical Workloads

Uptime, Security, Connectivity and Performance Overtake Cost as Primary Drivers of Enterprise IT Decisions Across Cloud, Colocation and On-Prem Environments

DENVER - (July 8, 2026) – CoreSite, an American Tower company (NYSE: AMT) empowering critical business and AI workloads that impact everyday life through interconnected data center solutions, today released its *2026 State of the Data Center Report*, which examines how enterprise IT strategies are evolving as organizations enter a new phase of hybrid infrastructure management.

The seventh edition of the report shows that hybrid IT has become the standard operating model for enterprises – but that companies are still looking for the right hybrid IT mix. After years of cloud migration and hybrid adoption, organizations are shifting their focus from deciding whether to use cloud, colocation or on-premises infrastructure to determining which workloads belong in each environment.

As workloads become more distributed and AI drives greater infrastructure demands, enterprises are taking a more deliberate approach to workload placement, making decisions based on performance, security, data control and connectivity requirements rather than cost alone.

“An organization’s success will be determined by its ability to deploy hybrid workloads at scale, and by future-proofing with higher power densities and faster connectivity,” said Juan Font, President and CEO of CoreSite and SVP of American Tower. “The future belongs to organizations that align the right infrastructure with the right workloads.”

High-level insights and key data points from this year’s report include:

- **Workload Placement Is Becoming More Intentional:** Across roughly two dozen workload categories, enterprises are actively rebalancing where applications run. The research shows increased cloud deployment of chatbots, mobile apps, websites, content delivery and AI-based recommender systems, while colocation is gaining share in workloads such as web applications, HR systems and cybersecurity—signaling a more precise, workload-by-workload optimization approach rather than broad migration strategies.
- **CIOs Are Choosing Colocation for AI Production Workloads:** Nearly 70% of CIOs now favor colocation and hybrid environments for AI/ML production workloads such as chatbots, virtual assistants and web hosting. This marks one of the clearest signals yet that AI production infrastructure is migrating to highly connected, power-dense environments.
- **Cloud Connectivity Is Now a Core Requirement for Colocation Providers:** Nearly eight in 10 respondents rate native, direct connectivity to major cloud providers as ‘very important’ for colocation providers — the highest level of urgency recorded in the last five years, showing that seamless public cloud interconnection has become a foundation for modern hybrid IT architectures.

- **Cost Is No Longer the Primary Driver:** While cost remains a factor, uptime, security and performance have overtaken cost as the primary drivers of workload placement decisions, particularly for AI and high-density compute workloads, marking a shift from cost-optimized infrastructure planning to resilience- and performance-driven architecture decisions.

As hybrid environments become more complex, seamless integration and direct, low-latency connectivity across cloud, colocation and on-prem systems have become essential. Security and data control remain foundational drivers of workload placement decisions, particularly for sensitive and regulated workloads. As a result, colocation is evolving beyond a hosting environment and increasingly serving as an orchestration point that enables performance, security and ecosystem connectivity across distributed enterprise environments.

“The State of the Data Center findings reinforce broader trends we're seeing across the industry: hybrid IT is now the standard operating model for enterprises,” said John Gallant, Enterprise Consulting Director at CIO. “What stands out in this year's research is that enterprises have moved beyond hybrid adoption and the ones preparing for the future are now focused on optimizing workload placement across cloud, colocation and on-premises environments based on performance, security and control requirements.”

The *2026 State of the Data Center Report* is based on a quantitative survey of more than 300 CIOs, CTOs and other IT decision-makers representing a variety of industry sectors, plus in-depth interviews with seven senior technology executives from financial services, healthcare, retail and SaaS organizations. Industry leader Foundry, an IDG, Inc. company, conducted the research.

Download the *2026 State of the Data Center Report* to dive deeper into these insights and more here.

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About CoreSite

CoreSite, an American Tower company (NYSE: AMT), is a leading interconnection data center platform that empowers businesses to future-proof their digital transformation initiatives. For more than 20 years, CoreSite’s purpose-built, highly interconnected data center campuses and team of experts have delivered the cloud-enabled, resilient and flexible digital ecosystems required for customers to quickly scale and interoperate their businesses to support the increasing demands of critical workloads, like AI and high-density applications. For more information, visit CoreSite.com and follow CoreSite on our Connect[ED] blog, LinkedIn and YouTube channels.

Forward-Looking Statements

This press release contains statements about future events and expectations, or “forward-looking statements,” all of which are inherently uncertain. We have based those forward-looking statements on management’s current expectations and assumptions and not on historical facts. These forward-looking statements involve a number of risks and uncertainties. For important factors that may cause actual results to differ materially from those indicated in our forward-looking statements, we refer you to the information set forth under the caption “Risk Factors” in Item 1A of American Tower’s most recent annual report on Form 10-K, and other risks described in documents American Tower subsequently files from time to time with the Securities and Exchange Commission. Neither we nor American Tower undertake any obligation to update the information contained in this press release to reflect subsequently occurring events or circumstances.