

Negeri Sembilan: The New Hub For Data Centres

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Negeri Sembilan is poised to become the next major hub for data centre (DC) developments in Malaysia, positioning itself as a key area alongside Cyberjaya and Johor, according to a recent research report by RHB. This development is expected to have a positive impact on the construction sector, with RHB maintaining an OVERWEIGHT rating on the sector. Top Picks include Gamuda, Kerjaya Prospek, and Sunway Construction.

Ground checks in Nilai, specifically Nilai Impian, reveal commendable progress on a DC-related construction site. This project is potentially linked to a MYR610 million contract awarded to Japan-based contractor Kajima in June 2025 by a US-based multi-national corporation for main building works. The DC capacity for this project is estimated at 30MW, requiring approximately 2.1 million litres of water per day (MLD).

The state's Chief Minister, Dato' Seri Utama Aminuddin Harun, has previously confirmed that two DCs are slated for development: a green DC in Nilai backed by US investors and an artificial intelligence (AI) technology DC in Springhill, Port Dickson.

Water Infrastructure Deemed Sufficient

The new developments are not expected to strain Negeri Sembilan's water resources. The state currently boasts a water supply design capacity of 1,050 MLD with a reserve margin of 16.2% as of 2024. The additional 2.1 MLD demand from the estimated Nilai DC is easily manageable. Furthermore, for the 389-acre land in Springhill, where Gamuda was awarded a MYR1 billion contract for enabling works in May 2025, the contractor will build a 65 MLD water treatment plant. This plant will meet the DC's water requirements, with 25% of the capacity channeled to the surrounding residential areas.

Future Investments and Key Risks

Looking ahead, a substantial RM20 billion investment from Australia for an AI DC is expected to kick off in 2026 within the Negeri Sembilan Semiconductor Valley (Parcel F of Malaysia Vision Valley 2.0), with the first phase costing MYR10 billion.

However, the report highlights key downside risks for contractors in the DC space, including heightened competition with foreign contractors and an unexpected slowdown in the flow of DC investments. (Source: RHB Research, 27 January 2026)