

stratus

STATE OF MEP

Data Center Edition



EXECUTIVE LETTER

2026 State of MEP : Data Center Edition

Data centers have become one of the fastest-growing and most operationally demanding sectors in construction. As AI infrastructure, cloud computing, and digital transformation drive unprecedented capital investment into hyperscale and enterprise facilities, MEP contractors are finding themselves at the center of a structural demand shift one that rewards fabrication maturity, repeatable processes, connected workflows, and schedule certainty above all else.

The data center environment demands more than conventional construction can offer. Compressed timelines, modular assemblies, identical repeating systems, and zero tolerance for schedule slip have transformed leading MEP contractors into manufacturing-style operations. Survey findings from fabrication-heavy MEP firms confirm this reality: to succeed in data center work, you must be able to fabricate directly from the model, track production in real time, and coordinate seamlessly from BIM to shop to field.

Rather than focusing solely on labor, leading firms are redesigning their operations around repeatability and manufacturing principles. The clearest differentiator is no longer who has the most people, it is who has the best system. Firms investing in shop capacity, prefabrication programs, and production visibility are expanding their footprint. Those who remain dependent on traditional field-first approaches are increasingly constrained.

This report is designed to give preconstruction teams, VDC managers, fabrication directors, and executives a clear view of where the data center MEP market stands today, and what it takes to compete and win in the years ahead.



Jake Olsen
CEO, Stratus

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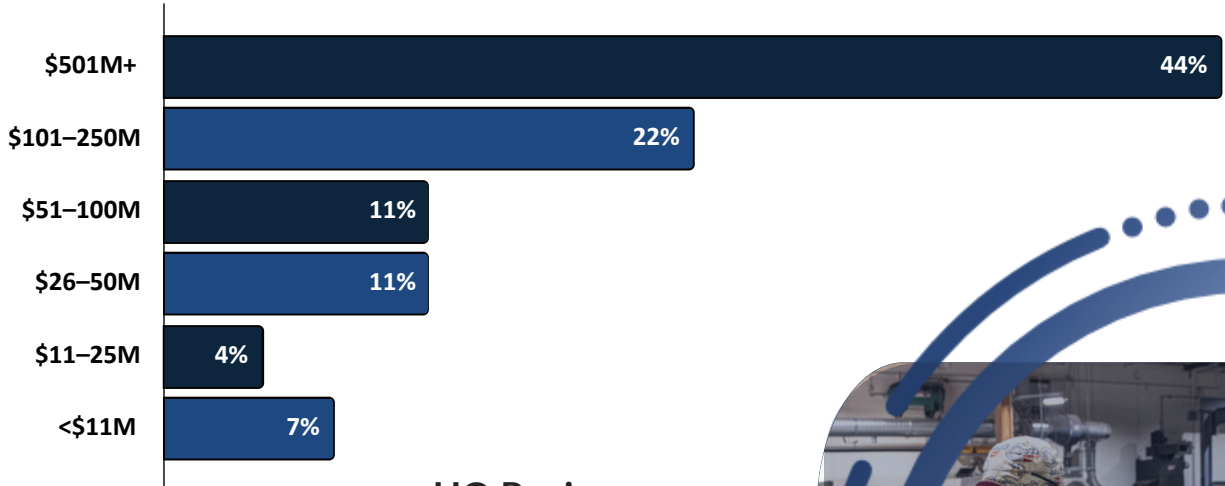
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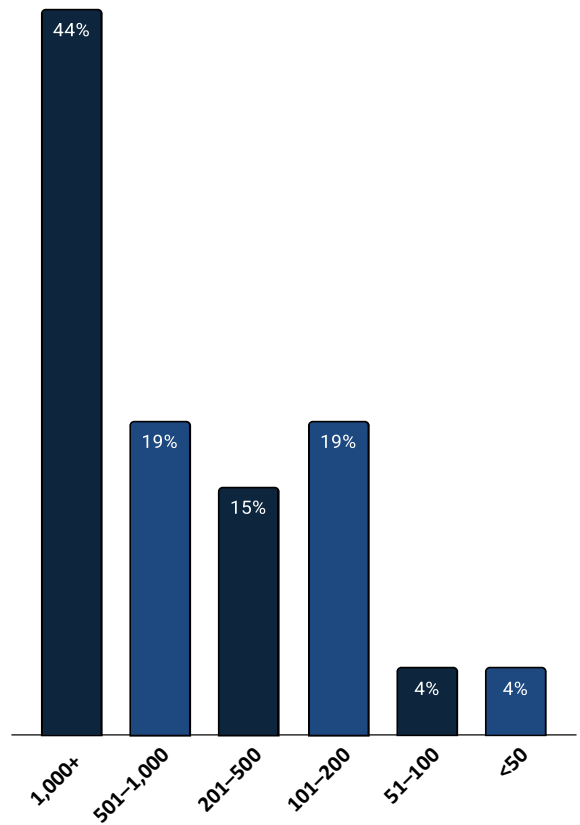
RESPONDENT PROFILE

Survey respondents are primarily from larger, fabrication-focused contractors actively working on complex data center projects. Most respondents work in VDC and operations, bringing firsthand experience with how these projects are planned and executed.

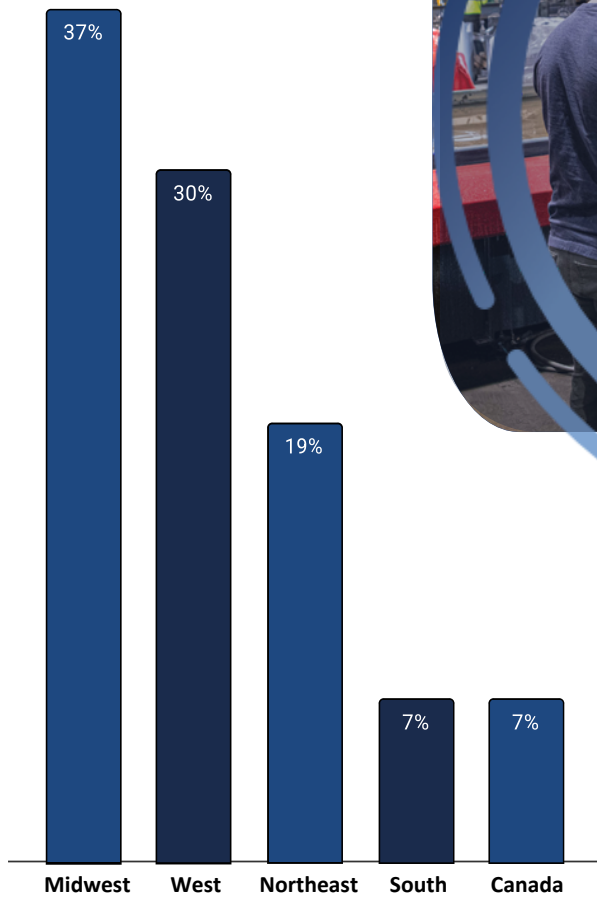
Annual Revenue



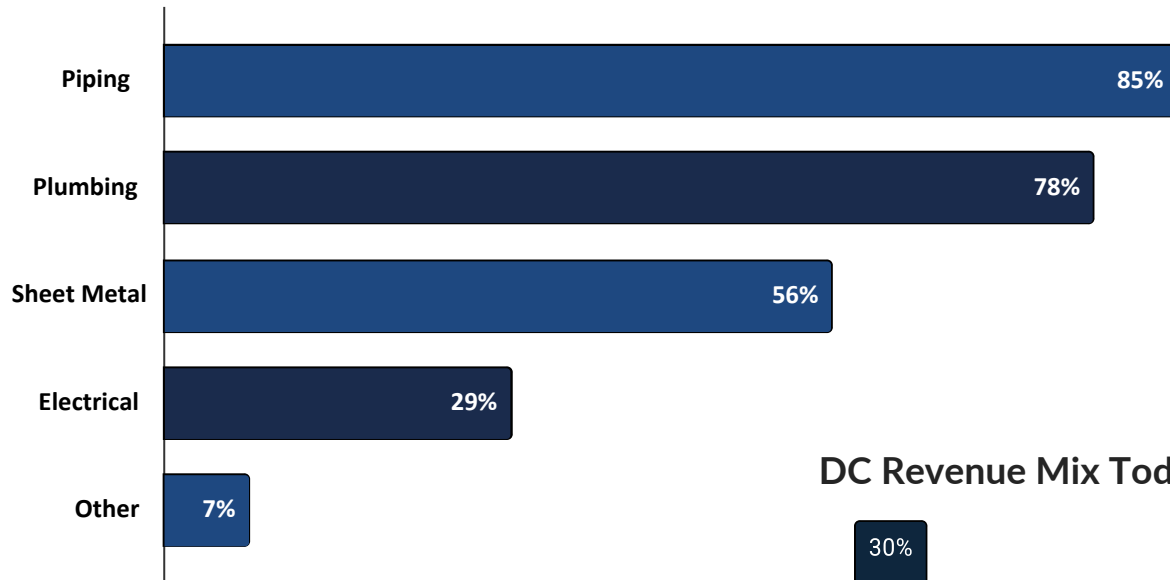
Company Size – Employees



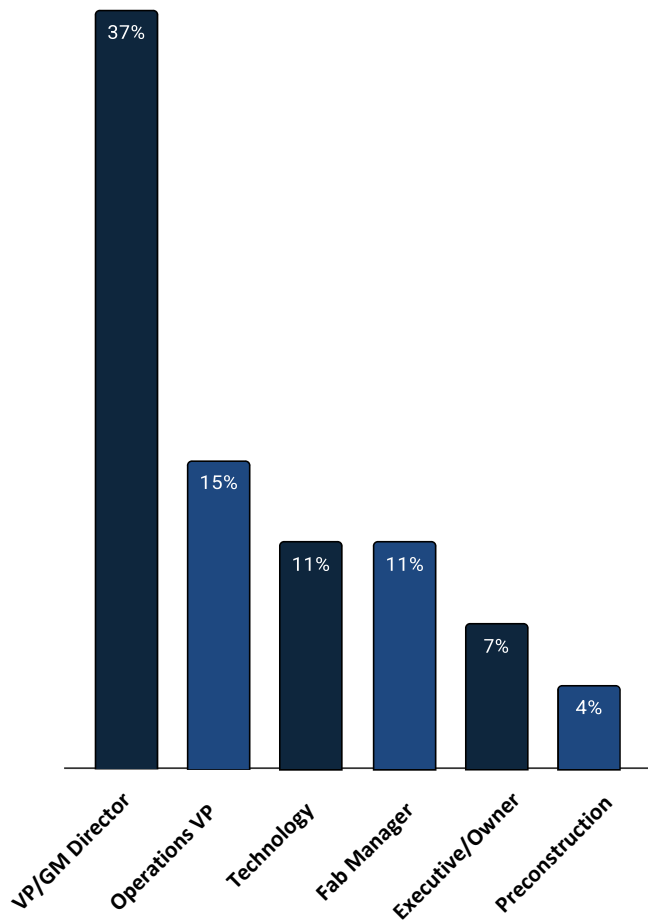
HQ Region



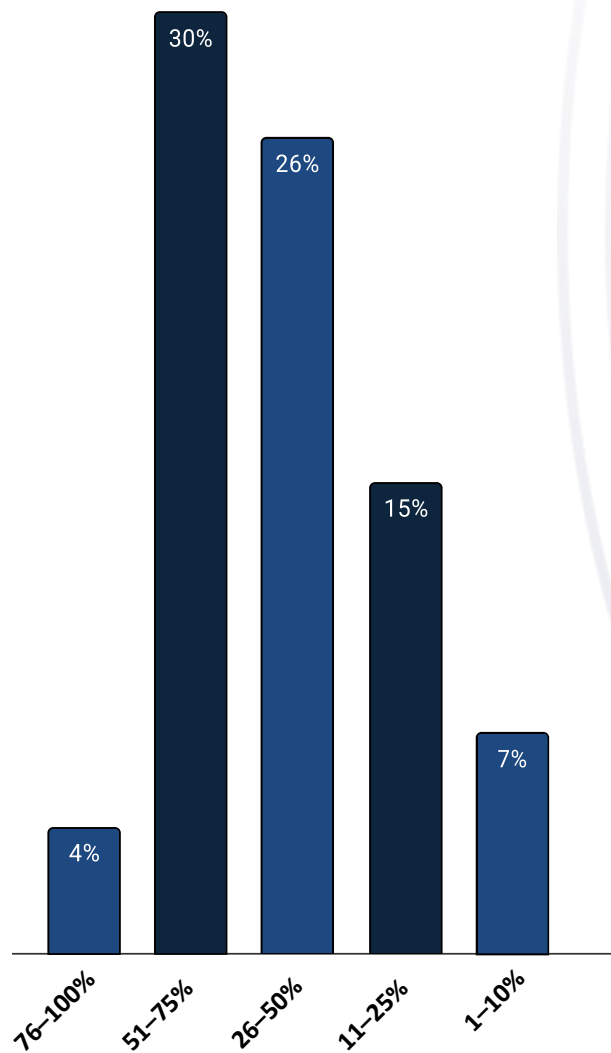
Trades Performed – % of Firms



Primary Role



DC Revenue Mix Today



EXECUTIVE SUMMARY

2026 has arrived as a defining moment for MEP contractors in data center work. Demand is not slowing, it is accelerating. And the firms best positioned to capture it are those that have built a fabrication-first operating model.

Key Findings

1

Data Centers Are Core Revenue and Growing

81% of respondents delivering Data Centers expect revenue from these projects to increase over the next 2 years.

2

Data Centers Demand Cross-MEP Collaboration

Data center projects require MEP teams to operate as one integrated delivery team. 50% of respondents identified connected BIM-to-shop-field coordination as a key success factor, while multi-trade coordination ranked 3.6/5 compared to traditional projects

3

Shop Capacity and Skilled Labor Cap Growth

68% of respondents cite shop space and physical capacity as the primary constraint on increasing prefabrication. 46% point to skilled labor. The primary bottleneck is production capacity.

4

Production Visibility Is a Strategic Requirement

77% of contractors rate real-time visibility into fabrication, shipping, and installation as very important or critical. Nearly half report that data gaps between shop, field, and BIM actively cost them schedule.

5

Fabrication Engagement Defines the Model

88% of DC work involves fabrication. Design-Fab-Install alone accounts for ~46% of all contract arrangements. Pure install-only work is just 6%.

6

The Next Efficiency Gains Come from Technology and Automation

Technology & automation (63%) and prefab expansion & modular (56%) are the top expected efficiency drivers over the next five years — far ahead of incremental headcount growth.

ANALYST INSIGHT

Prefab capabilities, capacity, and strong relationships stand out as key differentiators in data center work. The firms growing fastest have built more repeatable, manufacturing-style processes to take on these projects at scale.



CHAPTER ONE

THE DATA CENTER OPPORTUNITY



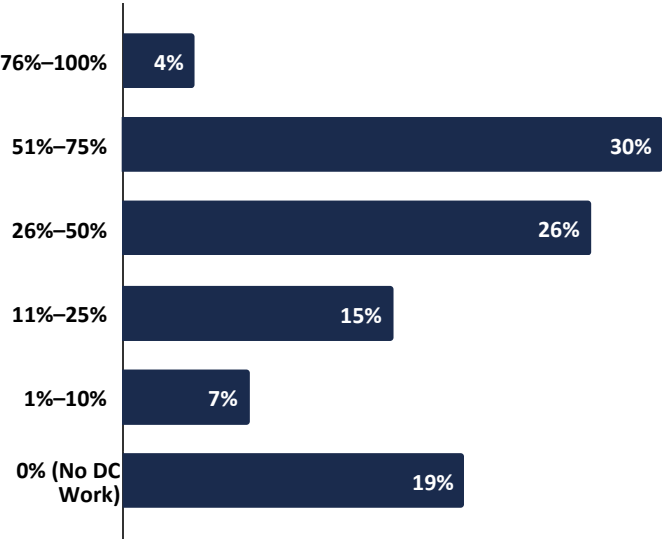
Data center construction is not a niche vertical — for a growing number of MEP contractors, it is the business. Firms that have built dedicated prefabrication programs and repeatable shop-to-field workflows are capturing disproportionate share of the fastest-growing construction market in North America.

Revenue Mix & 2-Year Outlook

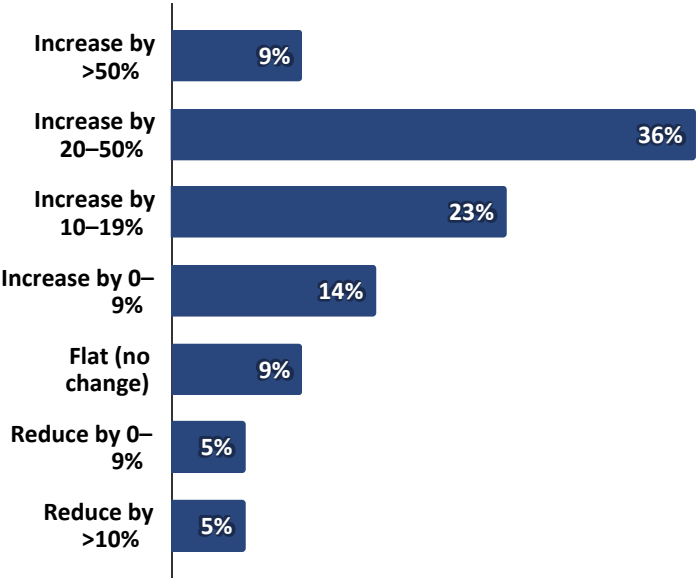
Data centers already represent a meaningful portion of revenue for most survey respondents, and the vast majority expect that share to grow. The strongest growth expectations (20–39% revenue share increase)

indicate firms actively ramping operations to meet accelerating demand from hyperscale, co-location, and enterprise customers.

Approximately what percentage of your current revenue comes from data center projects?



How do you expect your percentage of revenue from data center projects to change over the next 2 years?



KEY INSIGHT

82% of firms doing DC work expect their revenue share to increase , the model response is +20-39%. This is structural commitment, not opportunism.

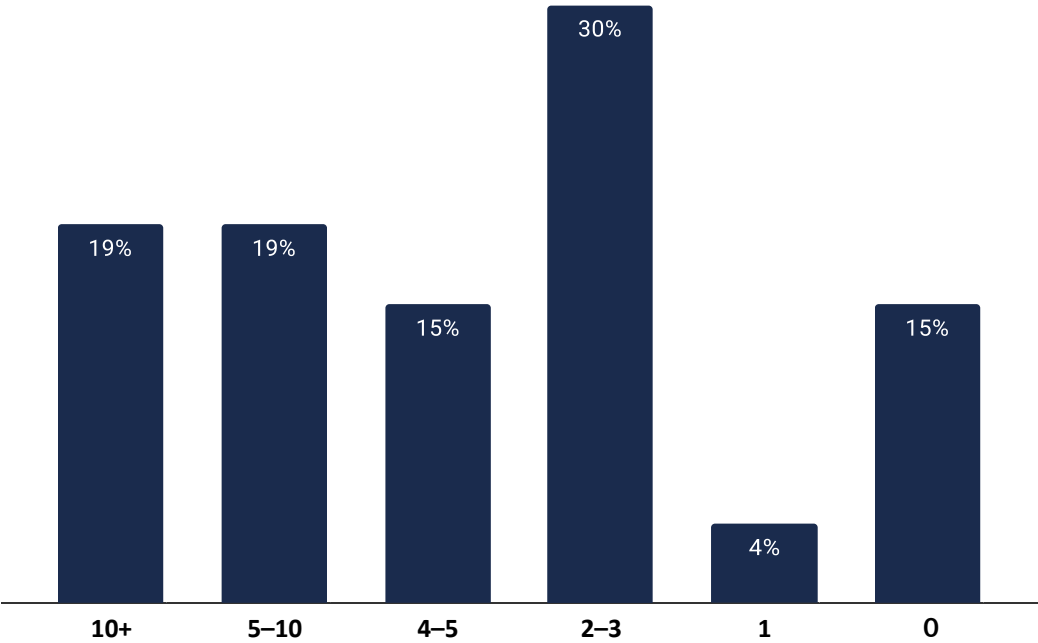
Market Activity

Nearly every respondent is actively pursuing additional data center work, and most will travel – the majority operate 500 miles or more, or nationally, to win projects. Geographic flexibility signals that competitive advantage in data center MEP does not come from proximity. It comes from operational capability.

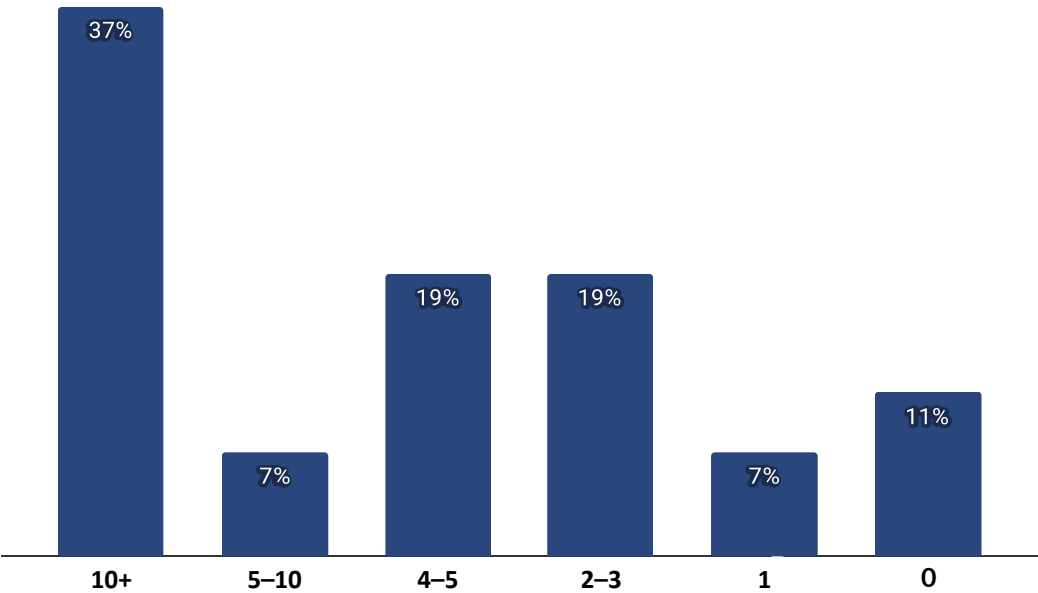
Data Center Project Volume

Most firms run several DC projects at once and carry real recent experience – a third have delivered 10 or more in the past three years.

How many active data center projects is your company currently working on?



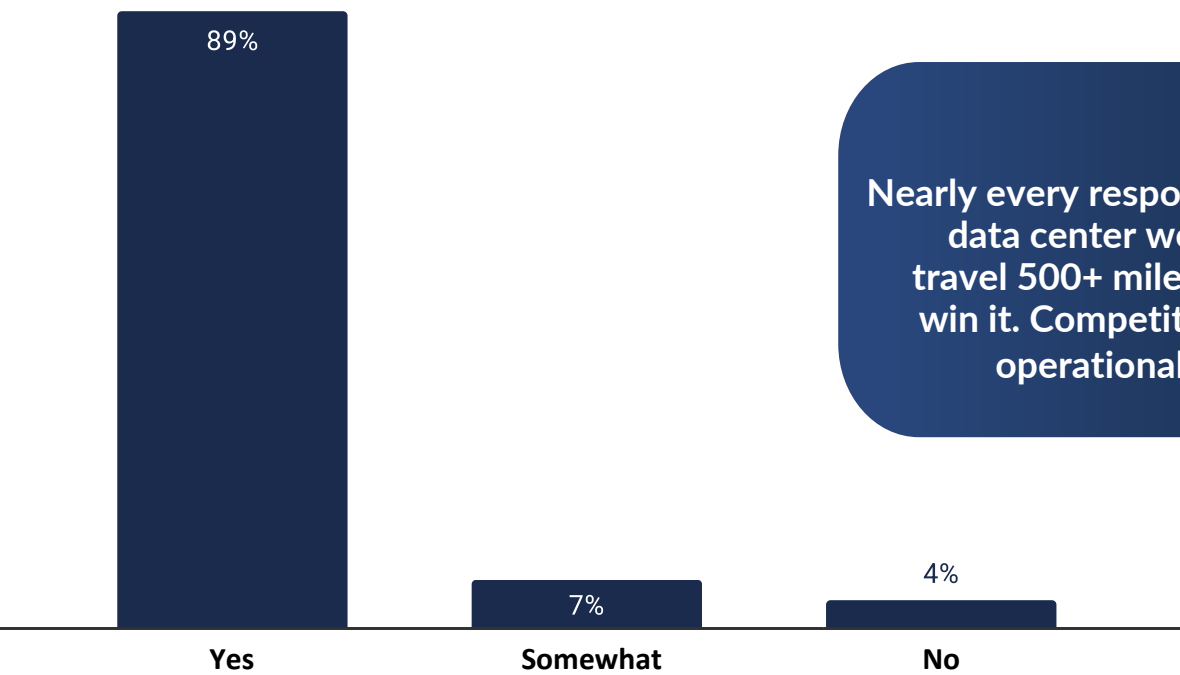
How many data center projects has your company worked on in the last three years?



Data Center Pursuit & Work Radius

Nearly all firms are actively pursuing data center work, and a majority will travel — most operate 500+ miles or nationally to win it.

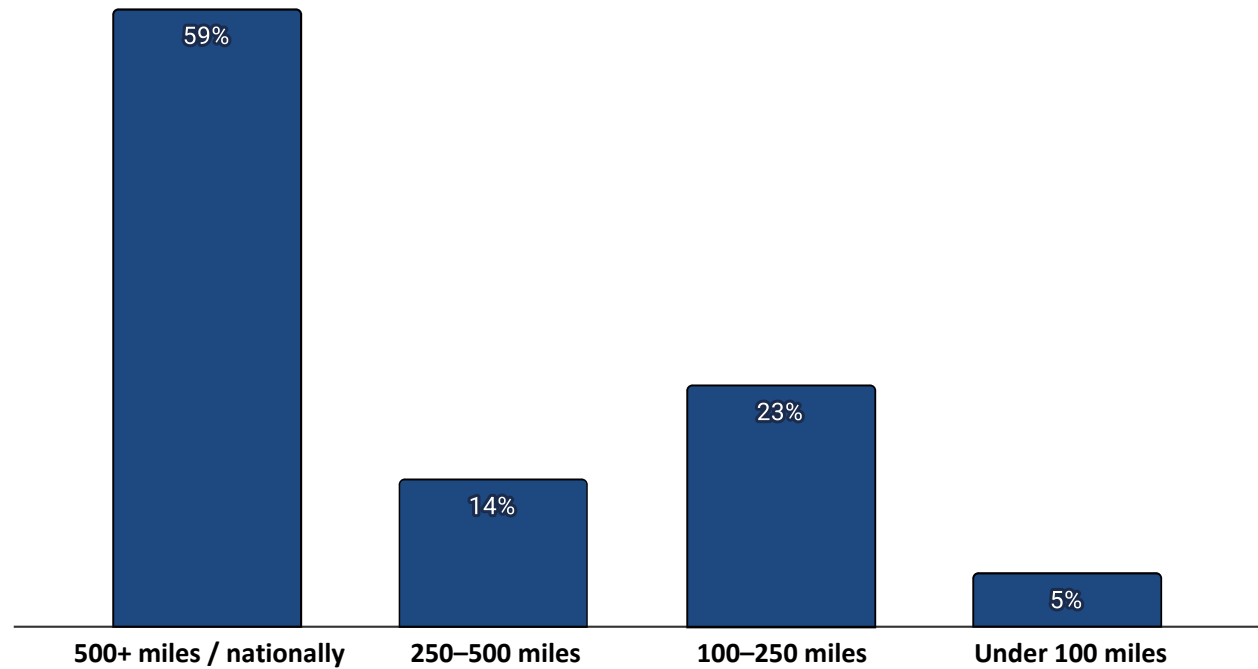
Are you currently actively pursuing work on data center projects?



KEY INSIGHT

Nearly every respondent is pursuing data center work, and 59% will travel 500+ miles or nationally to win it. Competitive advantage is operational, not geographic.

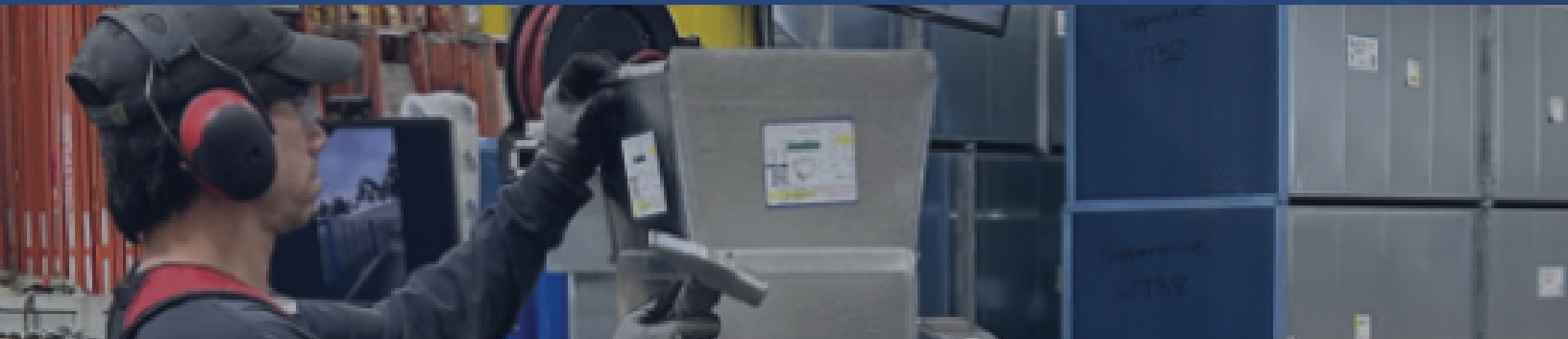
Our ability to do work on a data center project is limited to:



A large industrial robotic welding cell is shown in a factory setting. The cell features a large robotic arm with yellow and black components, suspended by a crane. In the background, a worker wearing a cap and safety glasses is visible. The scene is illuminated by bright overhead lights, and various industrial equipment and cables are visible throughout the facility.

CHAPTER TWO

EXECUTION AT SCALE



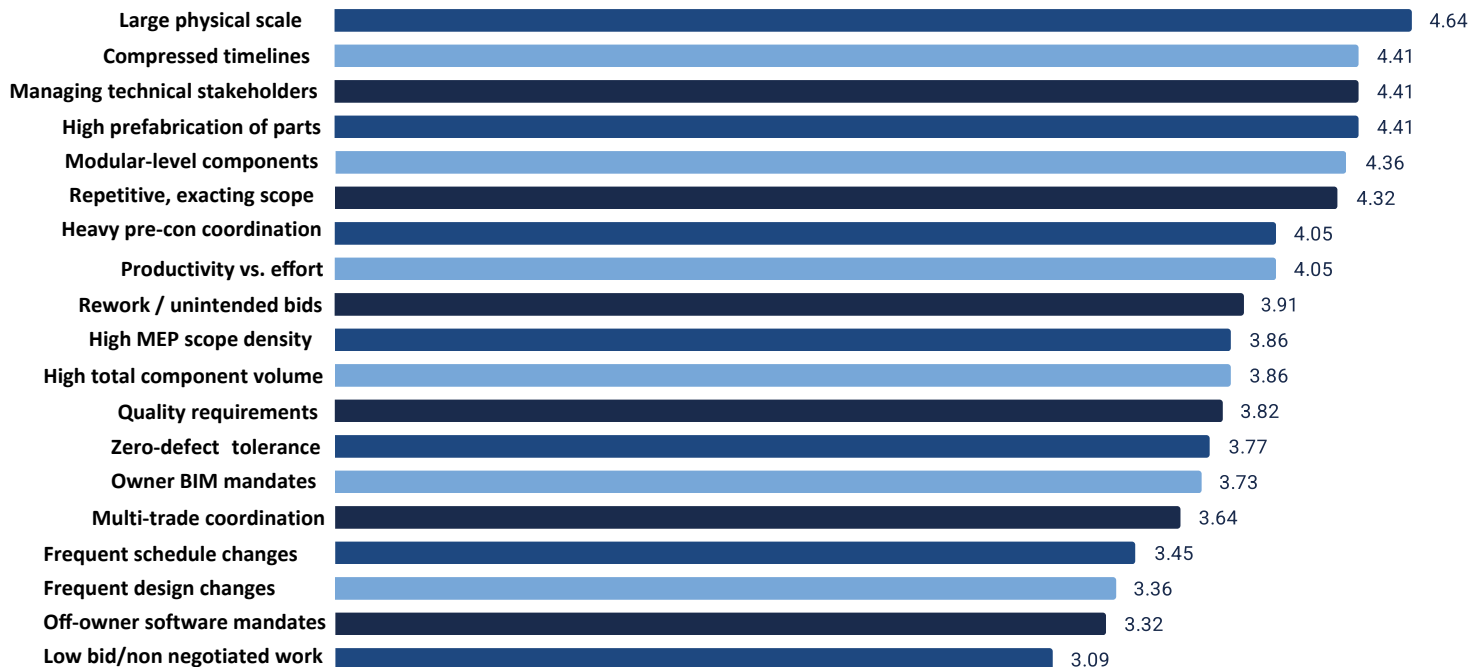
Data center projects aren't just bigger commercial projects. Contractors consistently report that they come with greater scale, tighter schedules, more repetition, and added complexity. Firms that treat data centers as conventional projects lose margin. Firms that redesign around manufacturing principles win.

How Data Center Work Differs

Survey respondents rated data center projects against conventional commercial and industrial work on a 1–5 scale (1 = much less demanding, 5 = much more demanding). Data centers score

above the midpoint on every attribute, with large physical scale, compressed timelines, and repetitive assembly management as the standout demands.

How do data center projects compare to other commercial or industrial work you've done?



KEY INSIGHT

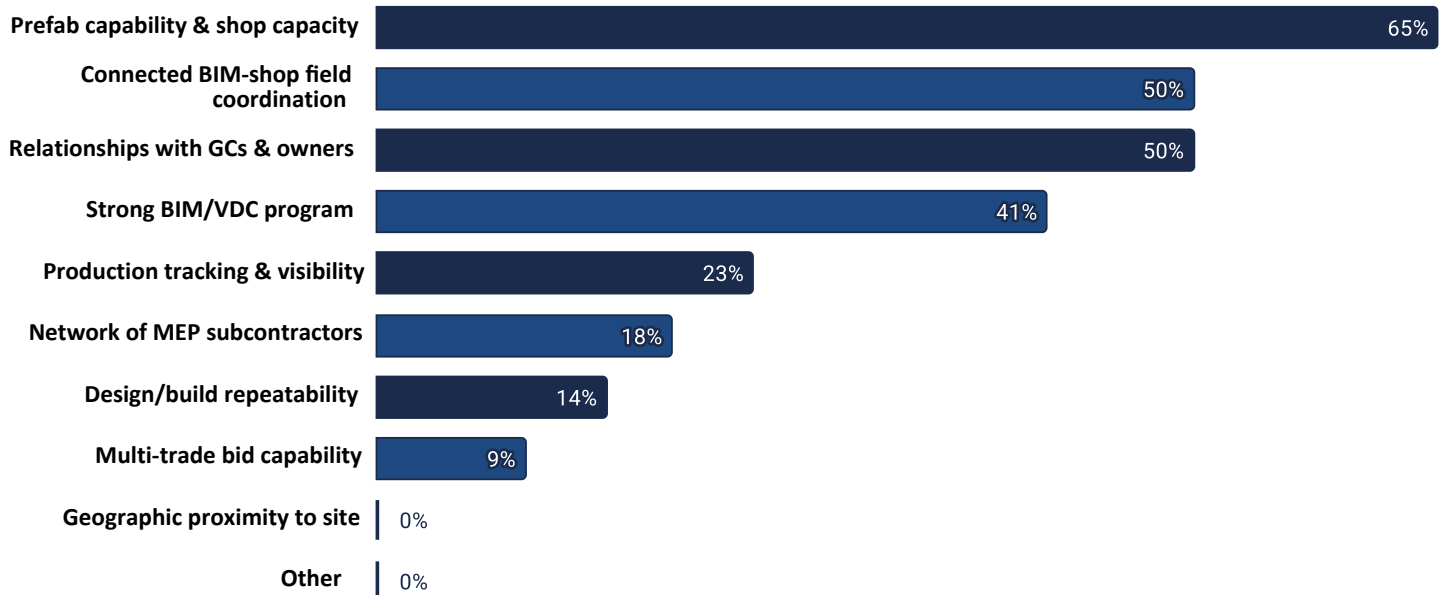
Data centers score above midpoint (3.0) on every dimension. Large physical scale (4.6), compressed timelines (4.4), and managing identical assemblies (4.4) are the top demands. Contractors increasingly describe these projects as manufacturing environments, not construction sites.

What Drives Success vs. What Wins New Work

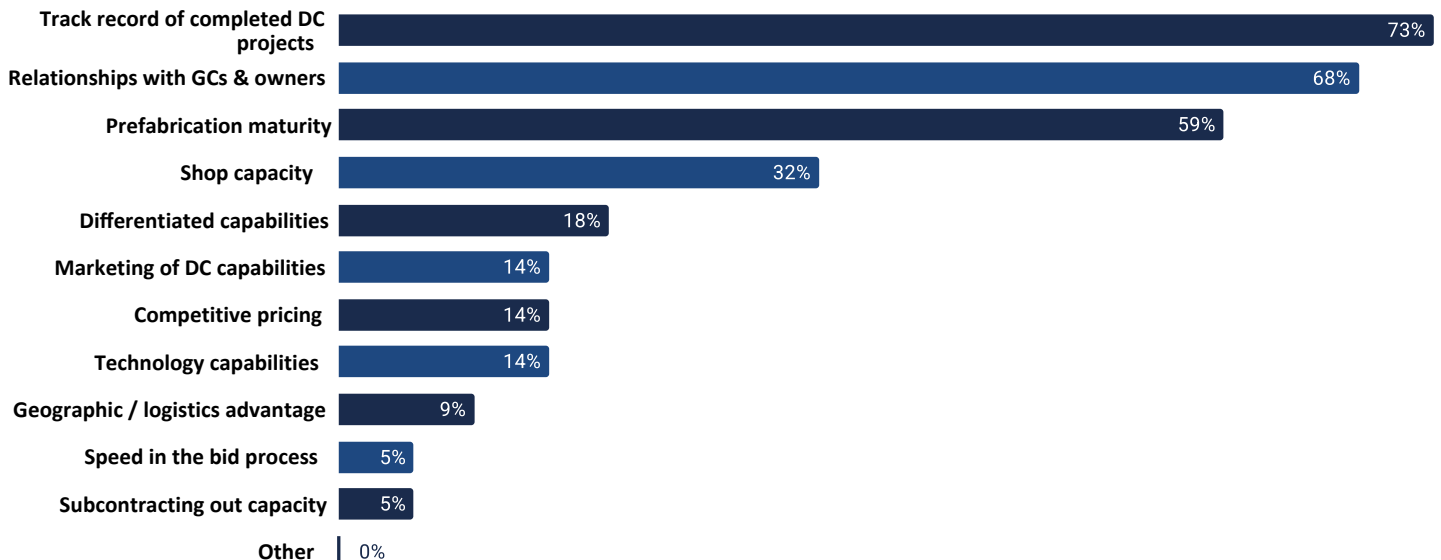
Success on data center projects and winning data center projects require different capabilities. Winning is built on track record and relationships. Delivering is built on prefabrication systems, connected workflows,

and production visibility. Prefabrication capability is the standout success factor, while a proven track record and GC/owner relationships are seen as the keys to winning new work.

What do you believe are the top three defining factors of success on data center projects? (Rank your top 3)



Which factors contribute most to your success in winning data center work? (Rank your top 3)



KEY INSIGHT

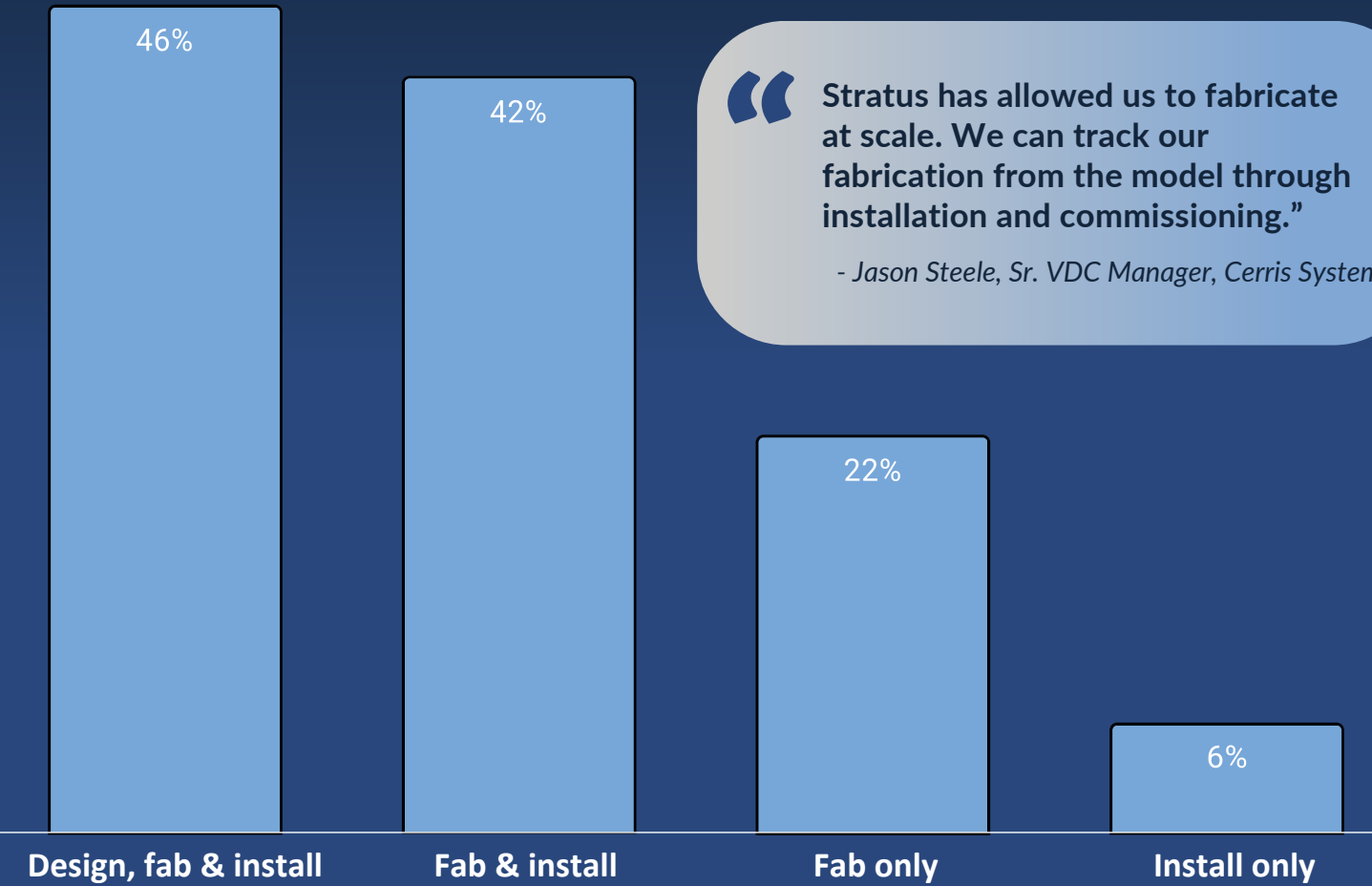
Win with track record & relationships (73%/68%). Deliver with prefab capability (95%) and connected BIM-shop-field workflows (50%). You win with relationships; you deliver with systems.

How Firms Engage on Data Center Work



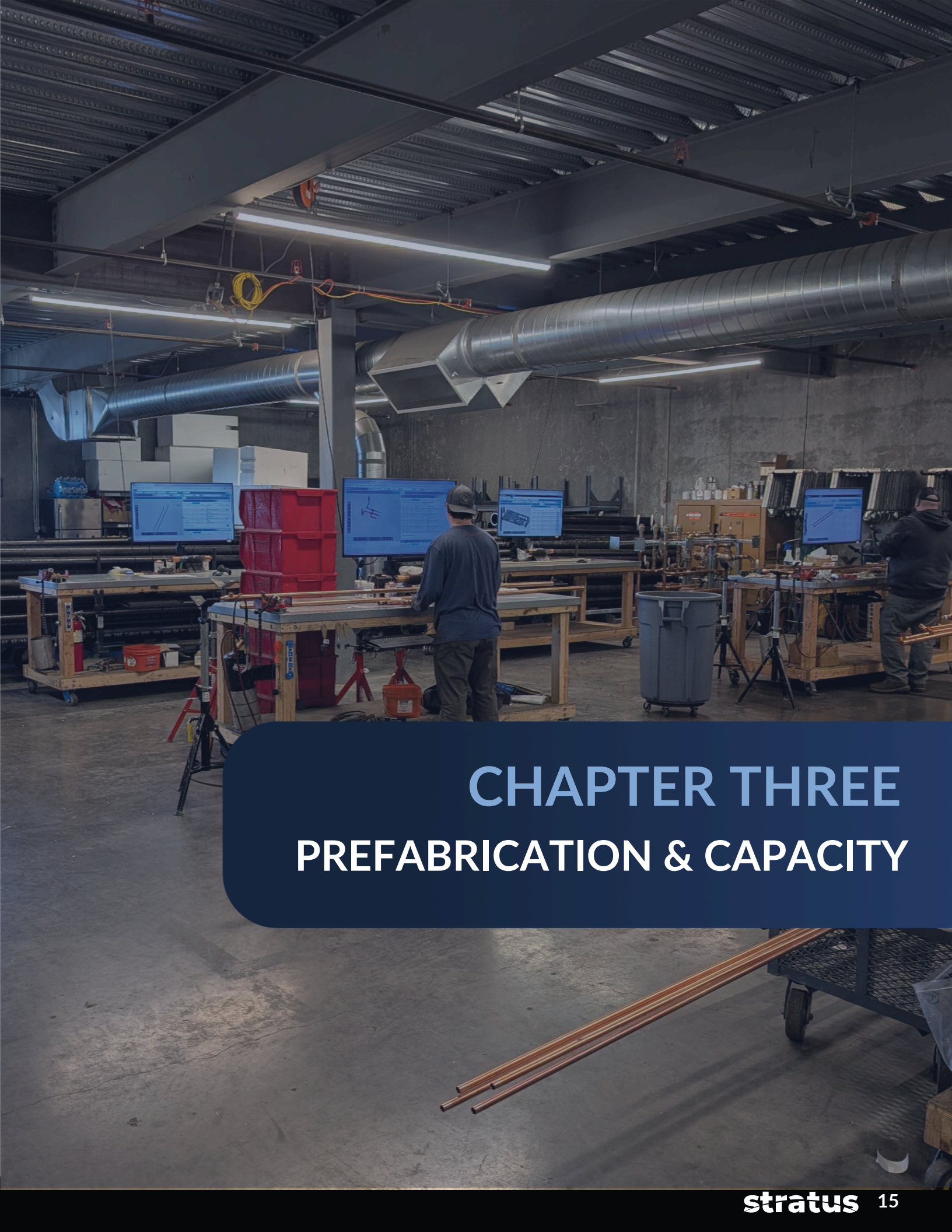
Design-fab-install and fab-and-install dominate the contract mix; pure install-only work is rare.

Of the data center work your company completes, how much typically falls under the following contract arrangements? (avg % of DC work)



KEYINSIGHT

88% of DC work involves fabrication — Design-Fab-Install (46%) and Fab-and-Install (42%) together make up nearly all contract arrangements. Pure install-only work accounts for just 6%, confirming that fab capability is a prerequisite, not a differentiator.

A large industrial workshop with a high ceiling and exposed steel beams. Several workers are at computer workstations, which are equipped with large monitors displaying technical drawings. Large, corrugated metal ductwork runs across the ceiling. In the foreground, there are workbenches with various tools and materials. A large grey trash can is visible in the middle ground. The floor is concrete.

CHAPTER THREE

PREFABRICATION & CAPACITY

CHAPTER THREE

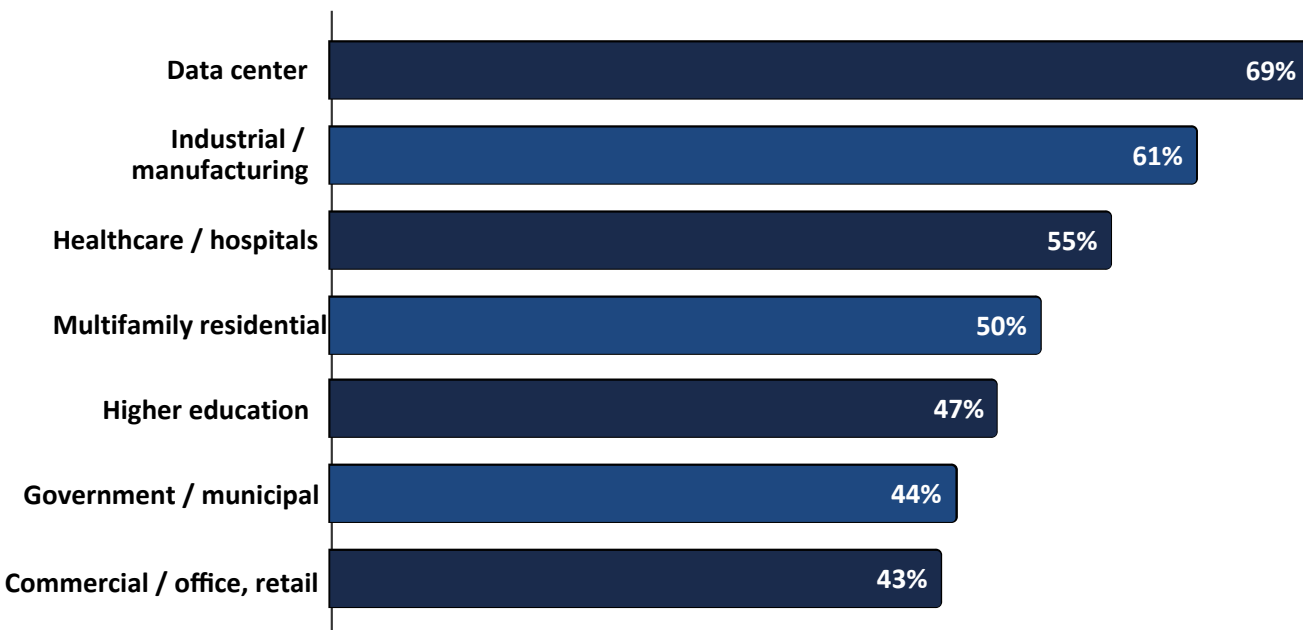


Data center work has the highest prefabrication rates of any project type these firms execute. Fabrication is no longer a service MEP contractors offer. It is a core business capability that determines how fast they can grow, how reliably they can deliver, and how wide a margin they can protect.

Prefab Rate by Project Type

Data centers exhibit the highest prefabrication rates of any project type surveyed, reinforcing that fab is a core delivery requirement.

Rate your typical level of prefabrication on the following project types. (avg %)



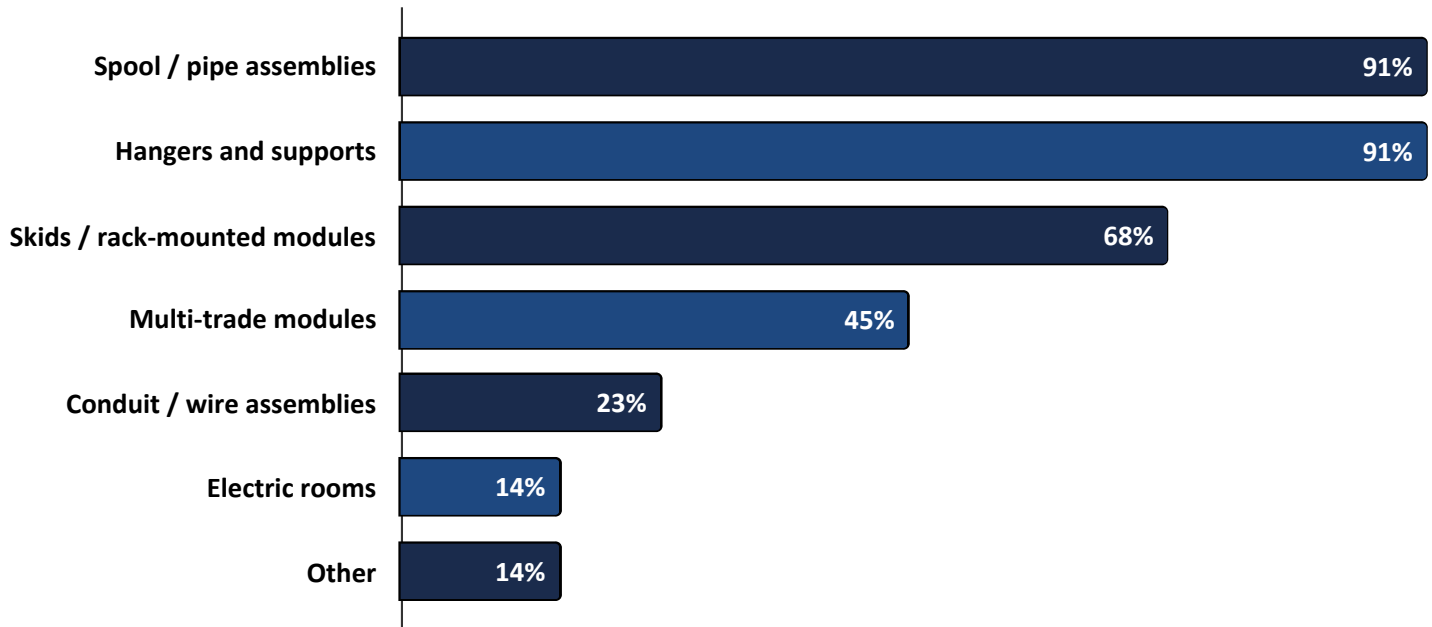
KEY INSIGHT

Data center projects carry the highest prefab rate of any project type (avg 69%) — 8 points above the next highest (Industrial, 61%).

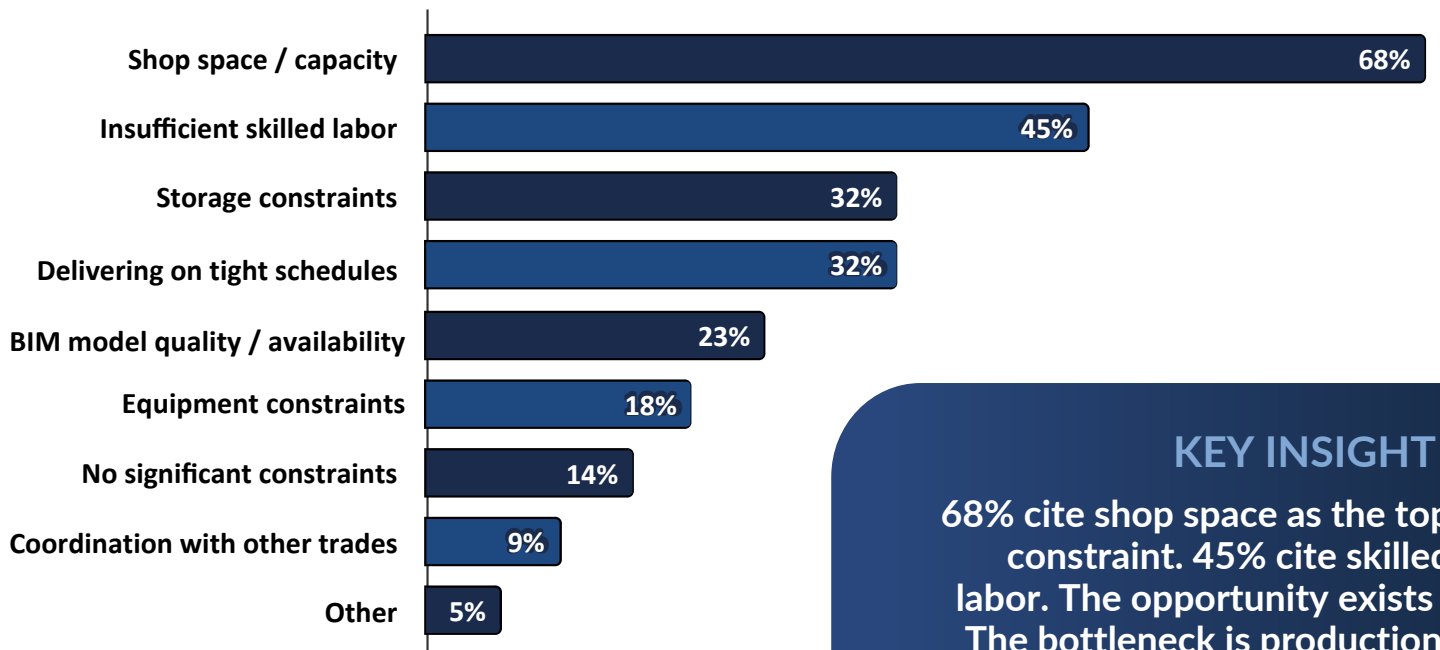
What Gets Fabricated & What Holds It Back

Pipe spools and hangers dominate shop output for datacenter work. Despite strong demand, the primary barrier to doing more prefabrication is not willingness. It is physical capacity.

What types of assemblies does your shop fabricate for data center projects? (Select all that apply)



What are the biggest constraints on increasing your prefab percentage on DC projects? (Select all that apply)



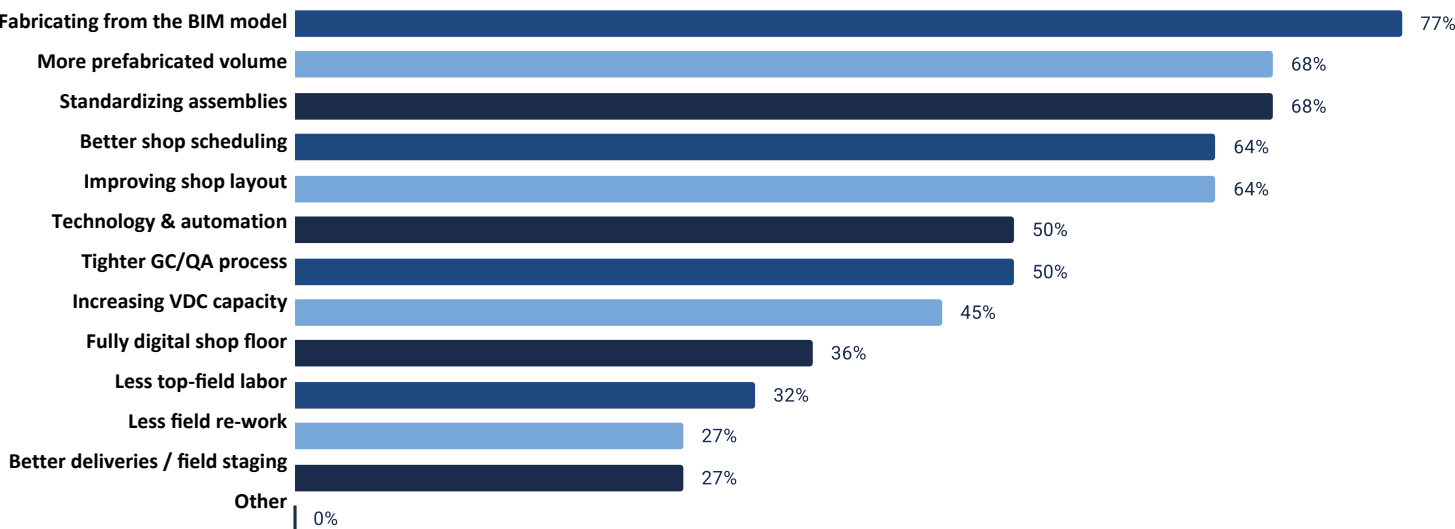
KEY INSIGHT

68% cite shop space as the top constraint. 45% cite skilled labor. The opportunity exists. The bottleneck is production infrastructure, not demand.

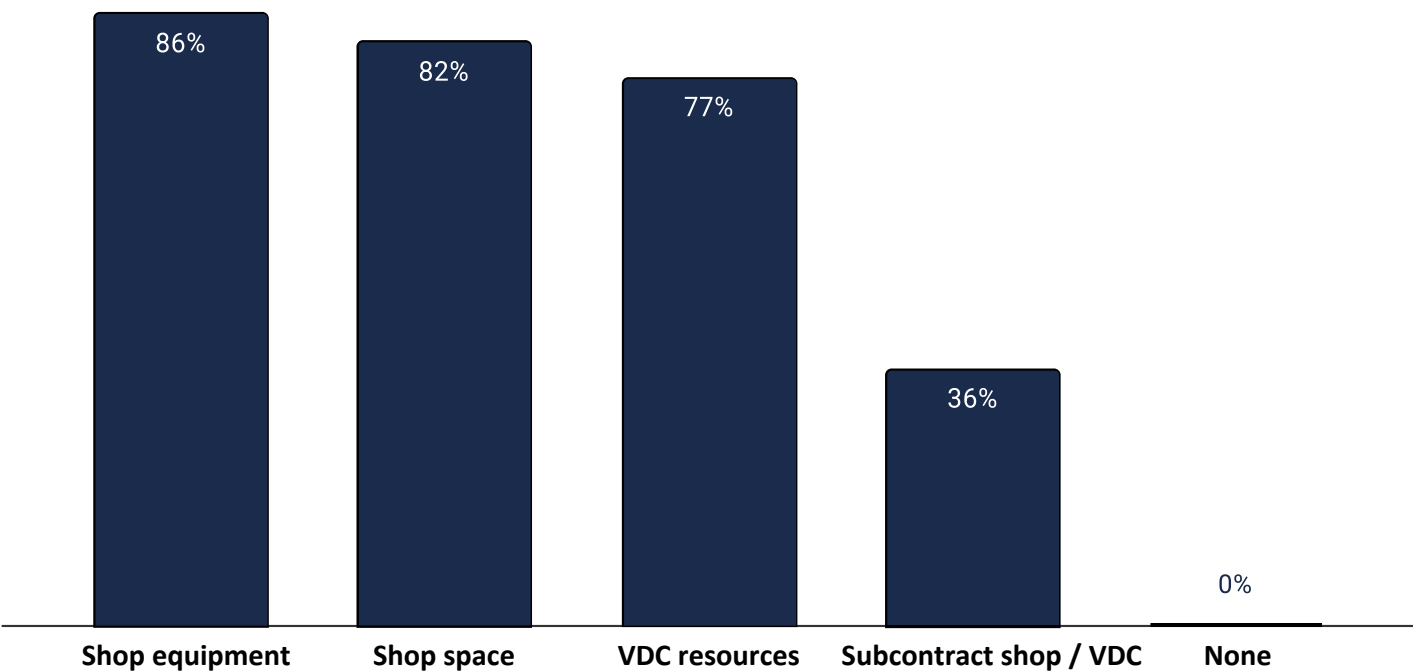
How Firms Maximize Productivity & Where They Are Investing

Firms are driving productivity mainly by fabricating straight from the model, and recent capacity adds skew toward shop equipment and space. [?](#)

How are you currently maximizing productivity and efficiency on data center projects? (Select all that apply)



How are you currently maximizing productivity and efficiency on data center projects? (Select all that apply)



KEY INSIGHT

86% have added or plan to add shop equipment. 77% fabricate directly from the BIM model. Investment signals proactive confidence in sustained demand.



CHAPTER FOUR

TECHNOLOGY & VISIBILITY

CHAPTER FOUR



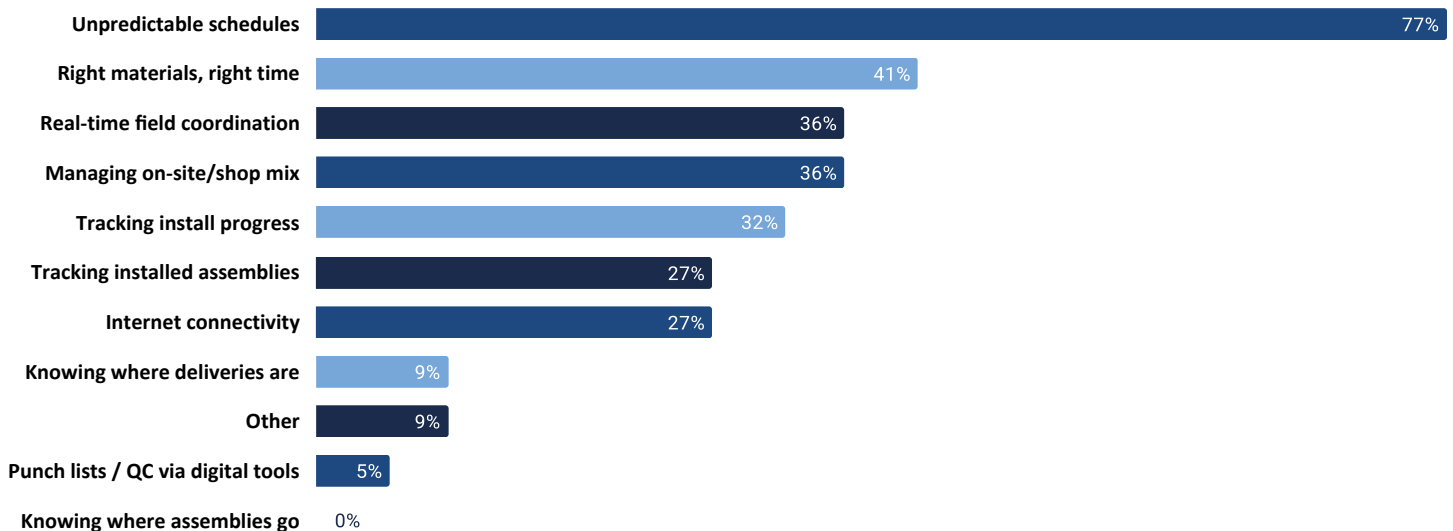
Fabrication software is widely adopted, but the data flowing from it rarely reaches field teams and project managers in real time. This gap, between what is being built in the shop and what is visible to everyone else, is the single biggest operational challenge identified by data center contractors.

Field Challenges & Production Visibility

Unpredictable schedules are the top field challenge, a direct downstream consequence of limited visibility into what has been fabricated, shipped, and installed.

77% of respondents rate real-time production visibility as very important or critical.

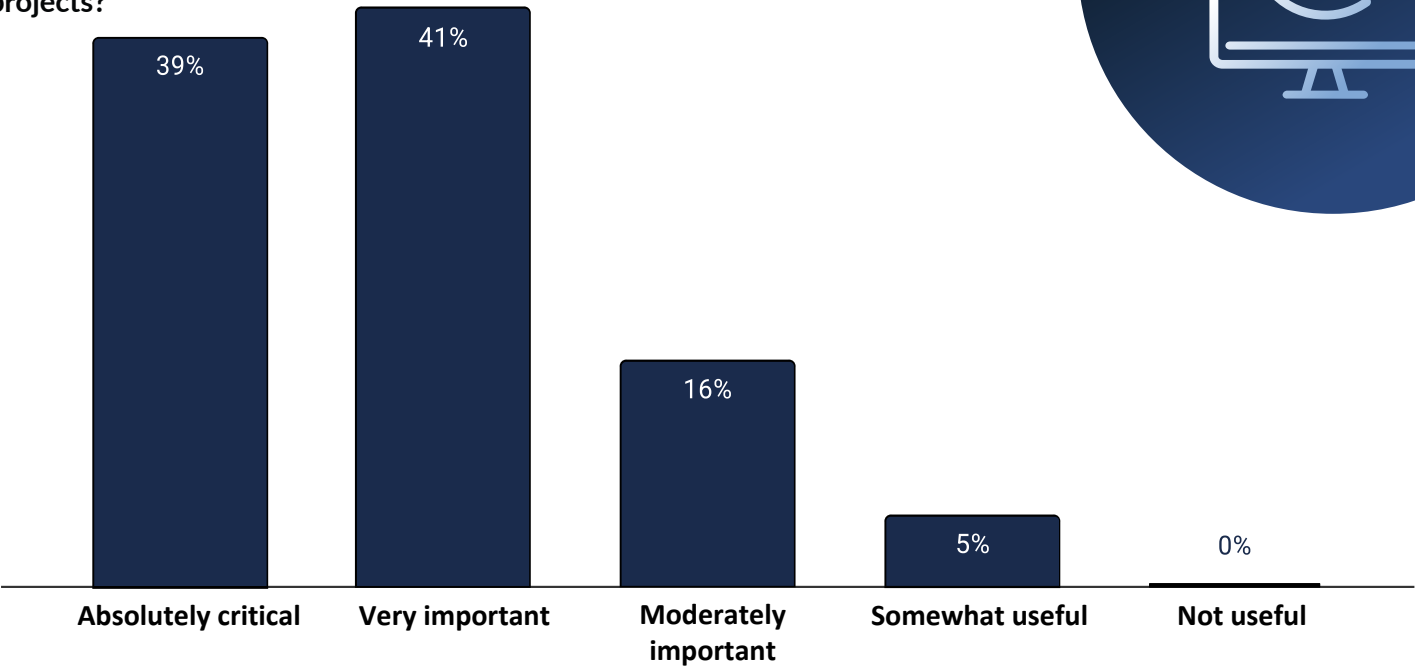
What are your biggest field challenges on data center projects? (Select your top 3)



KEY INSIGHT

77% cite unpredictable schedules as their #1 field challenge. 77% rate real-time production visibility as very important or critical. These two findings are directly connected — untracked material flow is a direct margin risk.

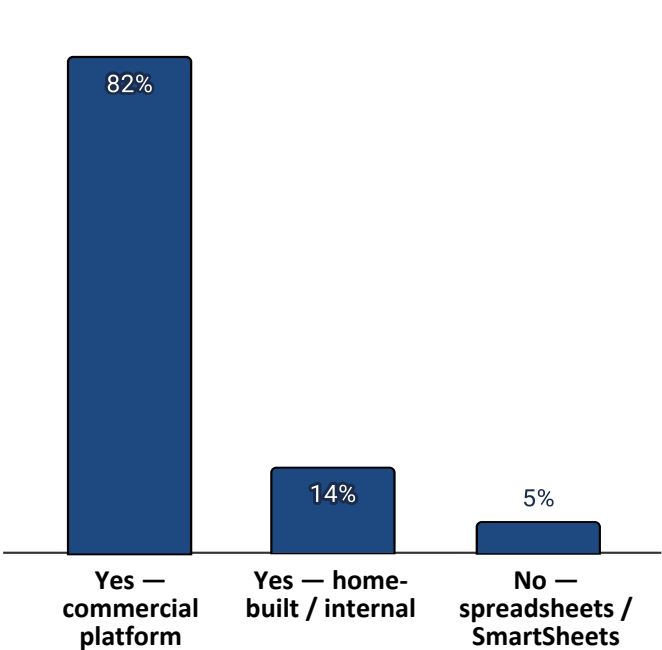
How critical is real-time production visibility, knowing exactly what’s been fabricated, shipped, and installed, to your success on data center projects?



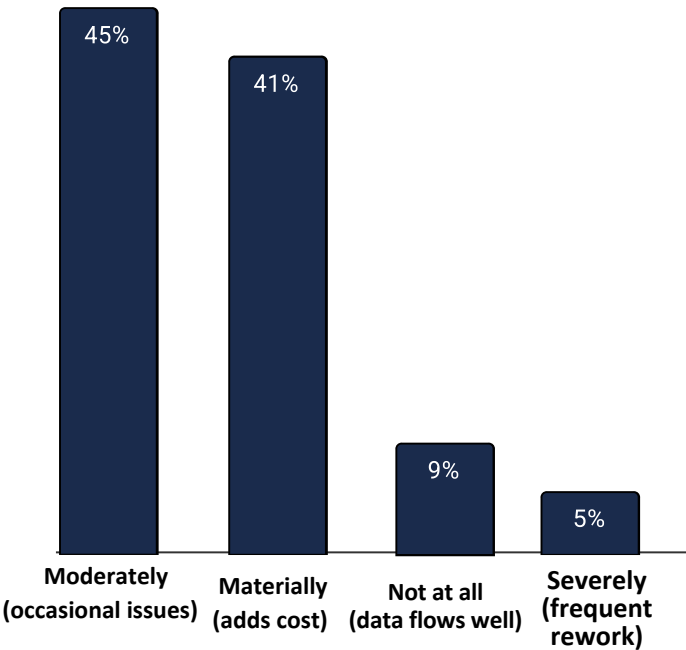
Software & Data Maturity

Most firms run a commercial fab platform, yet nearly half say data gaps between shop, field, and BIM still actively cost them schedule.

Do you use fabrication management software to run your shop operations?



How do data gaps between your shop, field, and BIM teams affect your ability to hit schedules on data center projects?

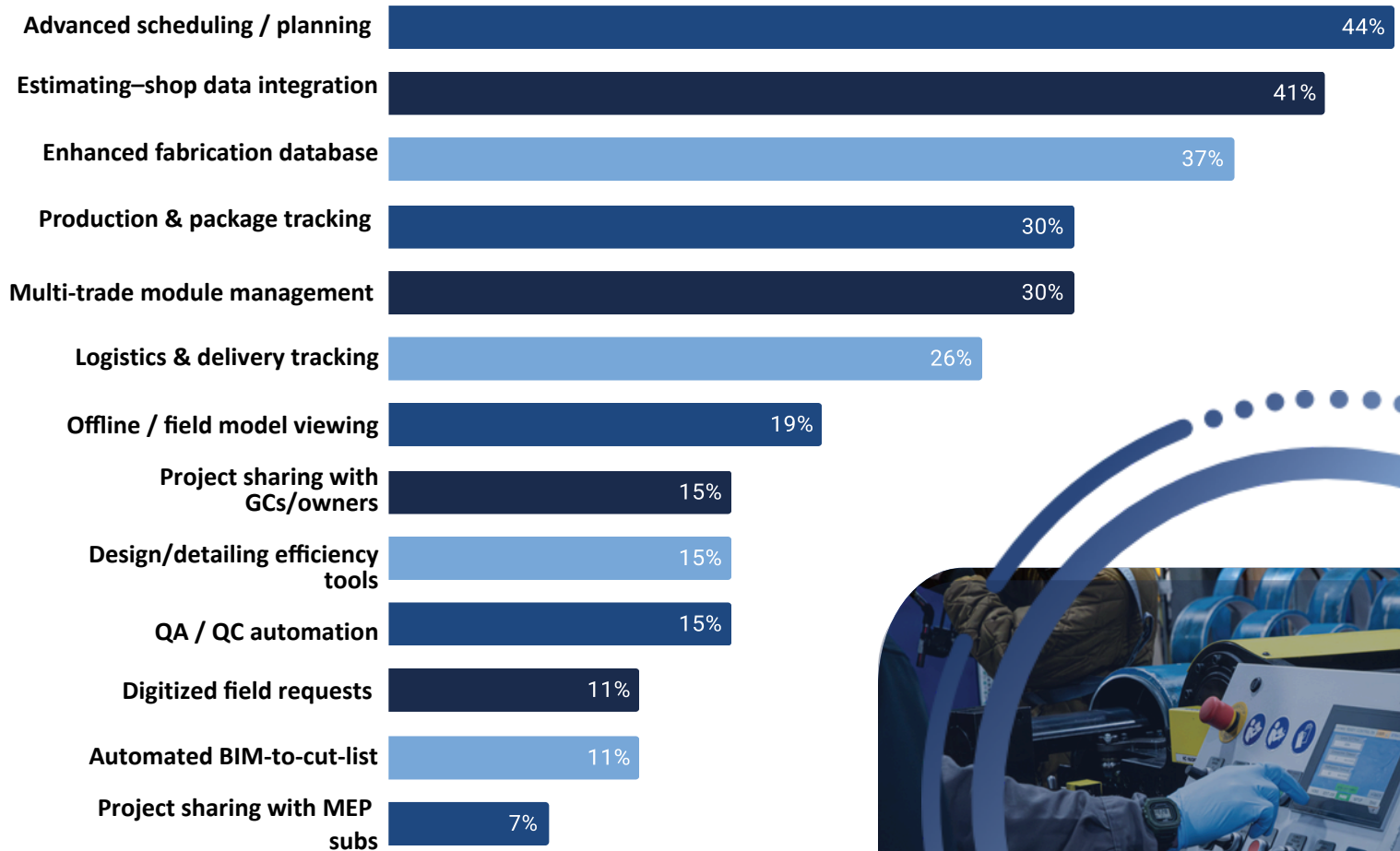


CHAPTER FOUR

Most-Wanted Software Capabilities

The software priority list reflects the maturation of data center MEP operations. BIM and modeling are table stakes, the demand is for everything that connects BIM to execution.

Which new software capabilities would most improve your ability to execute data center work?
(Select your top 3)



KEY INSIGHT

Advanced scheduling/planning (44%) and estimating-shop data integration (41%) top the list. The market wants tools that connect BIM to execution, not more modeling tools.

A welder wearing a mask and gloves is working on a large metal pipe in a workshop. The workshop has a high ceiling with exposed steel beams and fluorescent lights. In the background, there is a computer monitor displaying a graph, a large fan, and various tools and equipment. The welder is using a torch to work on the pipe, which is supported by a stand. The overall scene is industrial and focused on manufacturing.

CHAPTER FIVE

THE NEXT COMPETITIVE ADVANTAGE

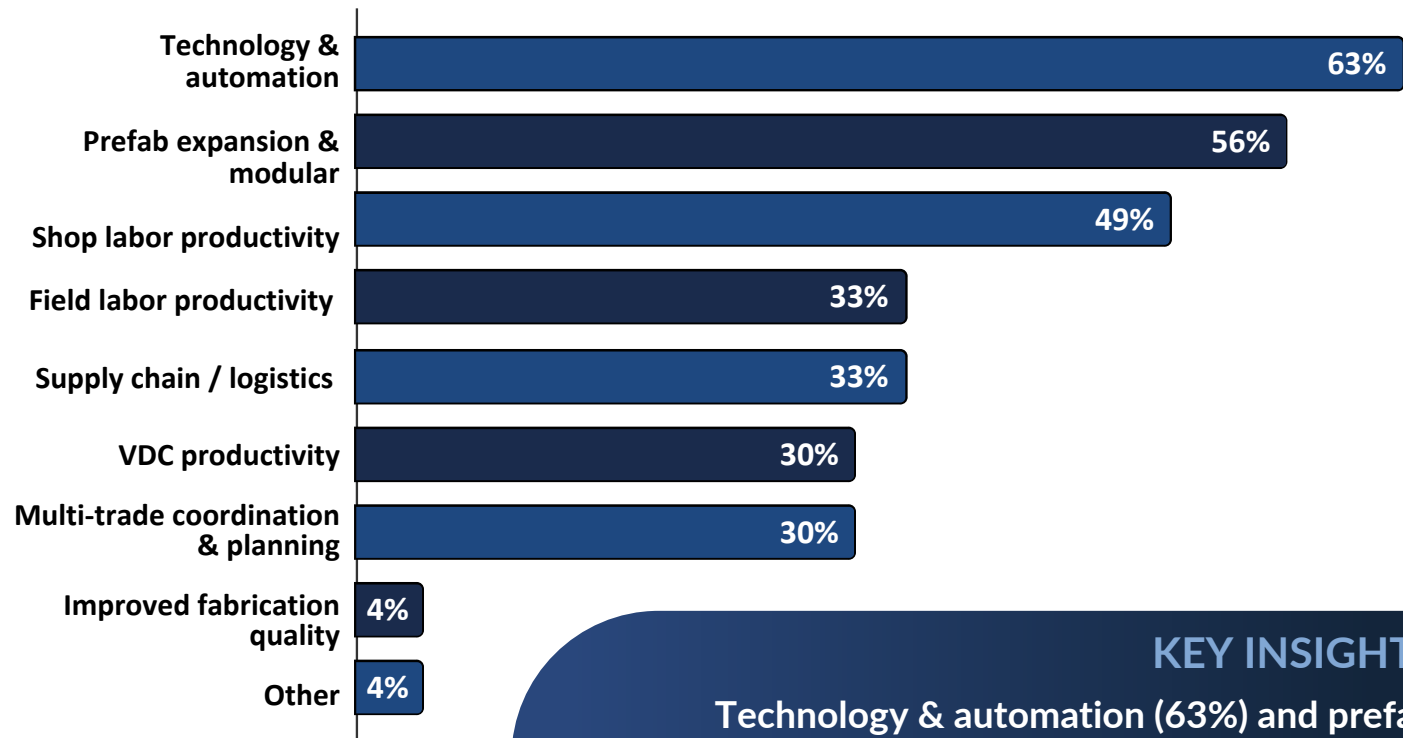


Looking ahead to 2027 and beyond, contractors will need to decide how they scale. The data shows that firms investing in more connected, data-driven operations are better positioned for growth than those relying on traditional project management and labor alone

Where the Biggest Efficiency Gains Will Come From

Respondents expect the greatest productivity improvements over the next five years to come from technology and automation, then prefab expansion, then labor productivity improvements. Incremental headcount growth and supply chain optimization rank significantly lower.

Over the next five years, which areas do you believe will drive the biggest efficiency gains on data center projects? (Select top 3)

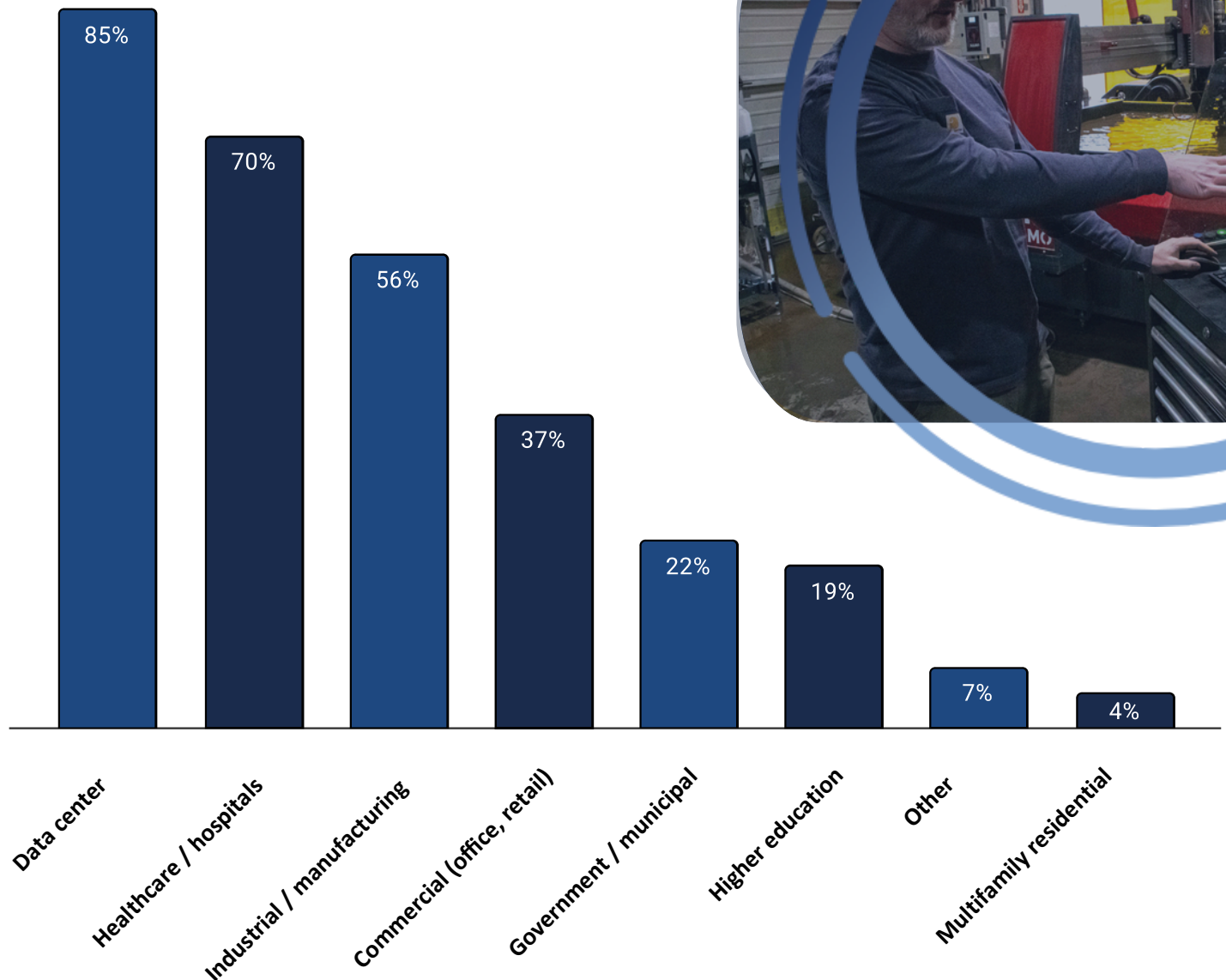


KEY INSIGHT

Technology & automation (63%) and prefab expansion (56%) are far ahead of labor productivity (48%) and supply chain (33%). Capability investment, not headcount, drives the next growth phase.

Priority Sectors for Business Development

Rank the following project types based on priority to your business.



KEY INSIGHT

Data centers rank #1 by a wide margin (85%) — 15 points ahead of healthcare (70%). These firms are not treating DC as one sector among many. It is their primary growth market.

CLOSING SUMMARY

Data center construction is redefining operational excellence for MEP contractors.

The 2026 State of MEP Data Center Edition makes one conclusion unavoidable: competitive advantage in this market no longer comes from having the most people or the lowest bid. It comes from building a repeatable, connected, fabrication-first operation that can deliver at the speed and scale data center owners demand.

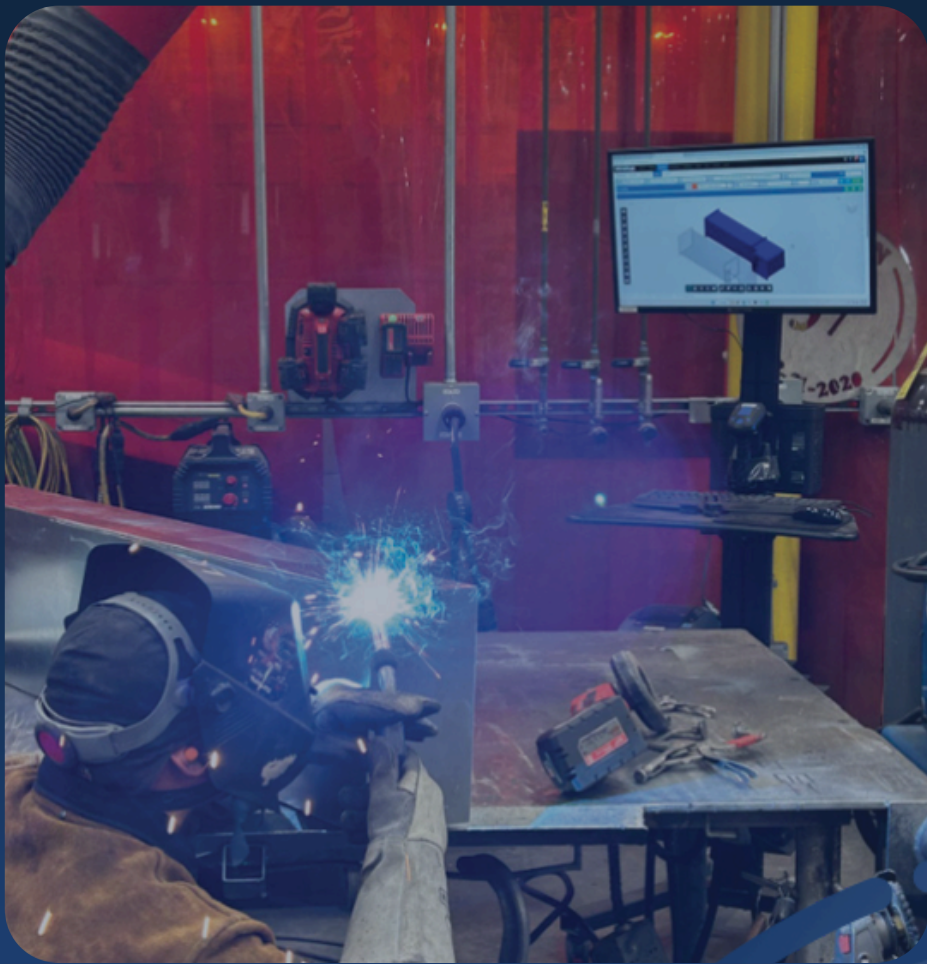
Firms that have made this shift are investing in shop capacity, fabricating directly from the model, and connecting workflows from the office to the shop to the field. As a result, they are growing faster, protecting margins, and winning more work based on their ability to execute.

The firms that will lead the next five years in data center MEP are those that treat every project as a manufacturing challenge, not a construction project. They are building intelligence loops from BIM to fabrication to logistics to field installation. They are investing in production visibility platforms before they need them, because by the time schedule pressure makes the need obvious, it is too late to implement.

The market opportunity is clear. The operational requirements are well understood. The only question is which firms build the capability first.

Visit www.stratus.build for additional resources.





About Stratus

Stratus is transforming MEP contracting by eliminating manual processes and disconnected tools in favor of a connected, intelligent fabrication platform. Built for piping & plumbing, electrical, and sheet metal contractors, Stratus unifies BIM, shop, and field workflows so teams can embrace Data-Driven Contracting at scale.

By digitizing workflows, integrating directly with automated fabrication equipment, and enabling real-time material and labor tracking, Stratus gives contractors the insights they need to plan, track, and execute with greater performance, predictability, and profitability.

Visit www.stratus.build for additional resources and access to this year's complete State of the Industry survey findings.

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www.stratus.build