

H2 2026

INFRASTRUCTURE PULSE

NORTH AMERICA AND EUROPE

The Global Voice of Infrastructure Investors

ALVAREZ & MARSAL

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INTRODUCTION

The Infrastructure Pulse survey, compiled by Alvarez & Marsal in collaboration with the Global Infrastructure Investor Association (GIIA), offers a unique insight into market sentiment among the world's leading infrastructure investors.

Launched in 2020, it provides a six-monthly 'temperature check' of the sentiment of investors towards the environment for fundraising, the outlook and prospects for markets and industry sectors, the impact of barriers to investment, and emerging investment trends.

Investor members of GIIA are asked to respond to an online survey that contains a series of closed-ended questions. Interviews are also conducted with selected respondents to secure additional qualitative insights and capture anonymised quotes, which further build a picture of the investor mood.

In its role as the global voice of infrastructure investors, GIIA shares the findings with governments, regulators, policy makers and industry stakeholders. This intelligence aims to enable better decision-making, that in turn leads to policy and regulatory environments in which private investors can better help to close the world's infrastructure funding gaps.

FOREWORD

JON PHILLIPS
Chief Executive Officer
Global Infrastructure Investor Association



This edition of our Pulse Survey captures how investors are reading a landscape shaped - more than ever - by geopolitics. 2026 has been a year of trade tensions, energy shocks, elections and significant questions over the supply of critical minerals and materials on which modern economies depend.

In this environment, the infrastructure asset class has yet again proved its resilience. Record fundraising in 2025 has been followed by near record levels of transaction activity, with US$ 1.45 trillion closed so far in 2026. Although deal volumes so far this year are the lowest since 2019, significant capital has been deployed across Europe including the UK, and North America.

Deployment of our members' capital has on the whole followed investor sentiment. This year Canada has been the clear winner, extending its H1 lead in this latest survey to a level last seen in 2021. Investors have been drawn by a pro-private finance government and, in a year defined by U.S. foreign policy, a home for capital seeking stable north American exposure. But for Canada, sentiment is not yet commitment. Close to half of investors say flagship projects still need visible private sector backing, and none say they have yet seen an investable Major Projects Office scheme reach procurement. It is encouraging to see Canada open up airports to private capital investment, but a federal green light does not in itself lead to deals. Investors still need to deal with conflicting municipal interests and patronage.

The United States, rated by investors as the second most attractive region, has regained ground lost to Germany in our H1 survey, but has been unable to recover its lead over Canada. Our H2 survey took place before the mid-term elections, during which investment in data centers has turned from a highly successful driver of GDP growth and infrastructure activity into a political battleground, with several winning candidates campaigning expressly against the sub-sector. With US$260 billion of planned investment already scrapped in 2026, the impact of state division over data centres will likely be felt strongly in 2027, impacting the sub-sector's attractiveness globally and possibly U.S. economic growth as well.

Political instability and a change in government narrative have also affected the United Kingdom's standing. A new prime minister has changed the tone towards private capital, with repeated talk of "greater public control" of essential services landing badly. This survey indicates that more than half of investors have taken the message to be an ideological signal that has raised their long-term risk assessment of UK regulated assets, while half also cite a lack of clarity around its real meaning.

However, beyond regulated utilities, the UK infrastructure market shows encouraging signs of life. IFM Investors' agreement to acquire the whole of Associated British Ports followed what was a highly competitive process, with a reported enterprise value of more than £10 billion. The UK is second only to the U.S. in terms of the volume and value of deals so far this year, and continues to bring investors to the table when stand out assets hit the market, as with Engie's purchase of UK Power Networks in May, and confirmation of private finance for Sizewell C last year; the main obstacle is that appetite for deals outstrips supply.

Elsewhere in Europe sentiment is cooling. France has given back its gains in H1, driven by political uncertainty. Germany has ceded ground too, with a lack of investment opportunities being generated by its €500 billion infrastructure fund, while Spain and the Nordics have held up best. More broadly, investors are disappointed at the increasing 'implementation gap' between EU policies and their translation into member state legislation.

This year's defining theme in Europe has been energy pragmatism. The closure of the Strait of Hormuz was a hard reminder that security of supply cannot be assumed, leading to a cooling of appetite towards renewable generation and a pulling of traditional generation back into favour. While the EU Commission was quick to react to this upheaval, rebranding energy transition as a security issue in the Industrial Accelerator Act, this alone is not enough; two-thirds of investors say that faster, more dependable grid connections would do most to unlock investment.

Looking ahead to 2027, there will be new challenges influencing investor sentiment. Inflation is rising again, bringing with it swift action from central banks, the Bank of England being the latest to join the Federal Reserve and European Central Bank in raising rates. Higher borrowing costs will impact investors, reversing the lower rate environment that unlocked investment in 2025 and 2026.

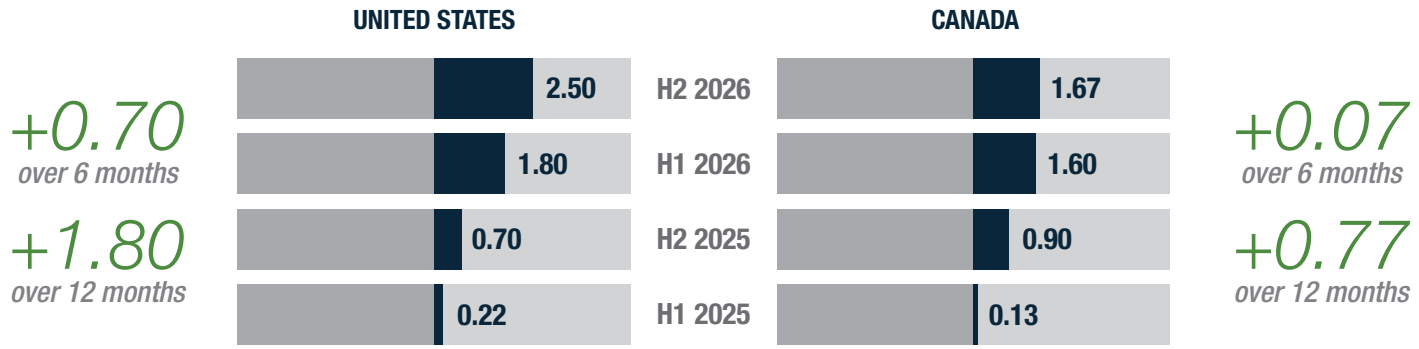
Yet infrastructure investment has been here before. Recent years of higher inflation and rate pressures have proved the sector's qualities as an uncorrelated asset class, outperforming both private equity and real estate on total returns. Being a younger asset class also has the advantage of learning lessons in reaching maturity faster than its older siblings, private equity and real estate. The infrastructure asset class is well placed to finance the growing demands for industrial transformation and economic competitiveness. All investors ask of governments is that the rules they make are clear, consistent and continuous.

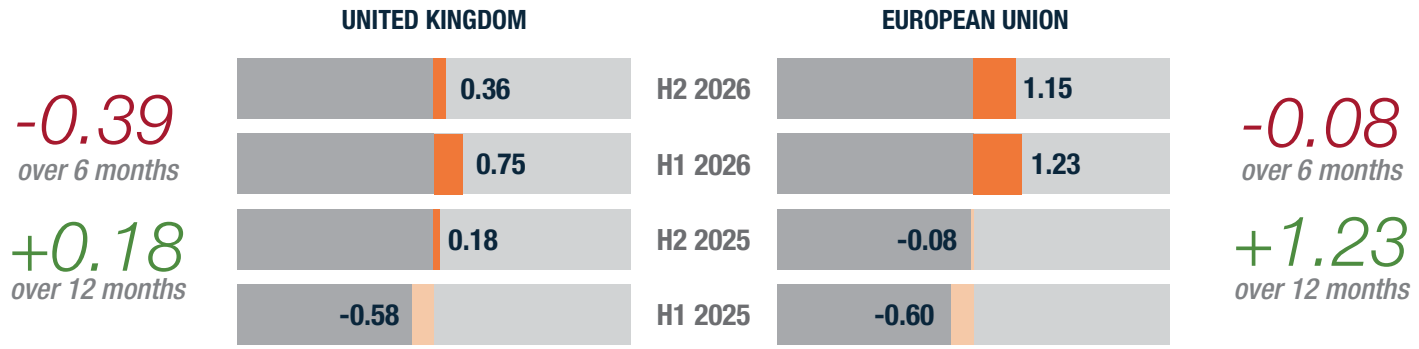
RAISING CAPITAL

Infrastructure fundraising has slowed in 2026. Capital raised from January to September 2026 was US$99.6 billion, compared with US$183.8 billion through the same period in 2025, even as average fundraising timelines shortened to under 26 months for funds closed (from a peak of over 28 months in 2024). Renewables and power attracted 70% of capital raised, driven by the energy transition and rising energy demand from digital infrastructure and AI. The largest share of allocations went to core-plus strategies (41%), with core and core-plus investments providing higher returns that higher risk investments due to increase in finance costs.

Capital is concentrating in a small number of large funds, particularly in North America. US fundraising sentiment remains well ahead of other regions, including the UK, which saw a pronounced decline over the past six months, while EU fundraising sentiment eased slightly from H1 2026, although most EU fundraisers remain positive. H2 2026 fundraising was anchored by a few very large fund closes, with smaller and first-time managers taking longer to reach fundraising targets as LPs consolidate their manager relationships. Energy transition specialists are an exception: mid-market equity and debt funds focused on storage, grids, and distributed generation continue to close at or above target.

If fundraising, how favourable is the current equity fundraising environment? (-5: extremely unfavourable, 0: neutral, 5: extremely favourable)



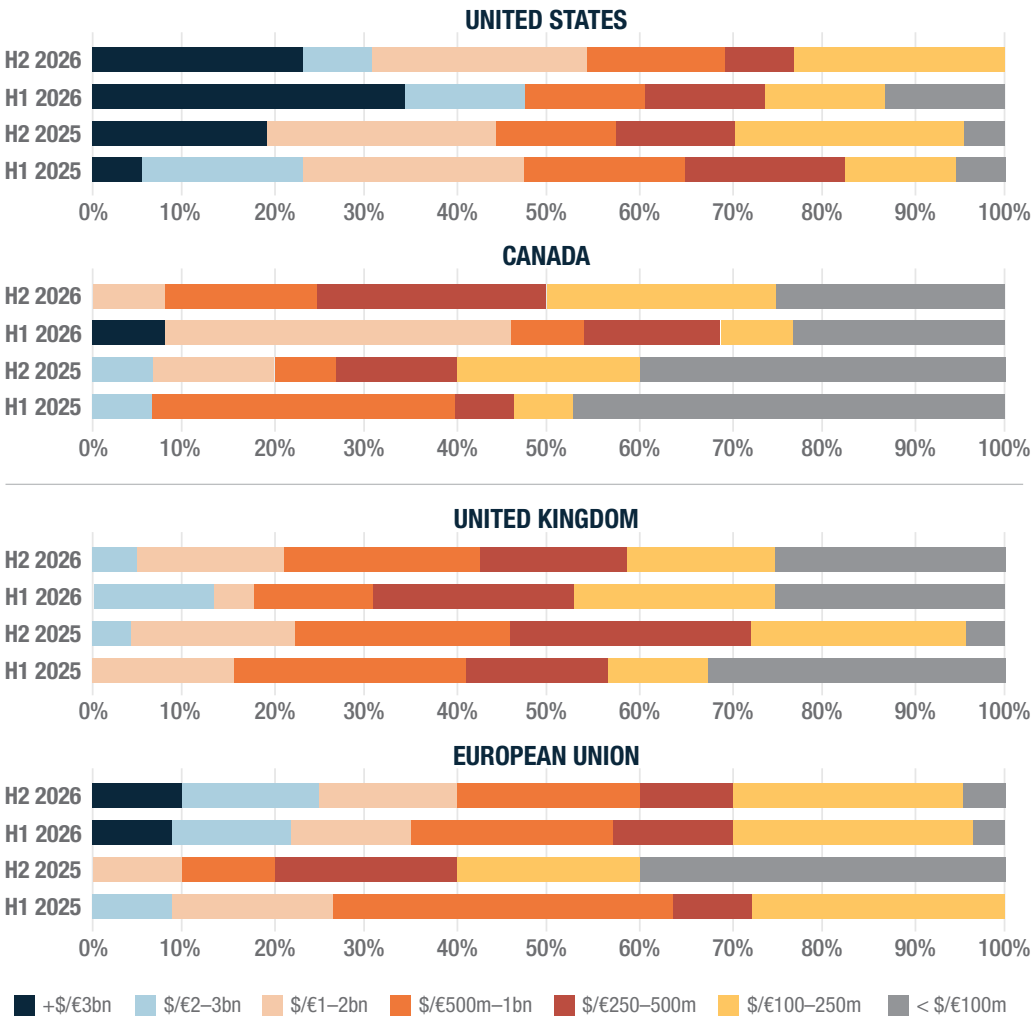


DEPLOYING CAPITAL

In contrast to H2 2026, private infrastructure deal activity was high in H1 2026, with a significant share directed to North America, where a more business friendly environment has supported volumes. Power and digital infrastructure accounted for a large proportion, reflecting the data centre build-out and the generation and grid capacity needed to meet rising electricity demand. Global M&A activity cooled in H2 2026, as the upcoming US midterm elections and a prolonged period of higher interest rates created uncertainty and made financing more difficult.

European deal activity has held up: a growing share of EU respondents plan to deploy €1 billion or more in the next 12 months. The pipeline is driven by sellers needing capital rather than by looser rules, including fund managers reaching the end of hold periods, utilities recycling capital to fund grid and generation capex, and corporates carving out infrastructure-like assets. The EU and UK outlook fell from H1 2026, while North America's rose. The constraint in Europe is a shortage of projects ready to build rather than a shortage of capital: planning, permits and grid connections set the pace in most markets, and unspent capital is accumulating.

If deploying capital, how much equity do you anticipate deploying in the next 12 months?



DELIVERING NET ZERO AND ENERGY SECURITY

With oil and gas prices unstable and subject to repeated supply-driven spikes, energy security has re-emerged as a leading political priority. The EU enters winter with its lowest gas storage levels in 15 years.

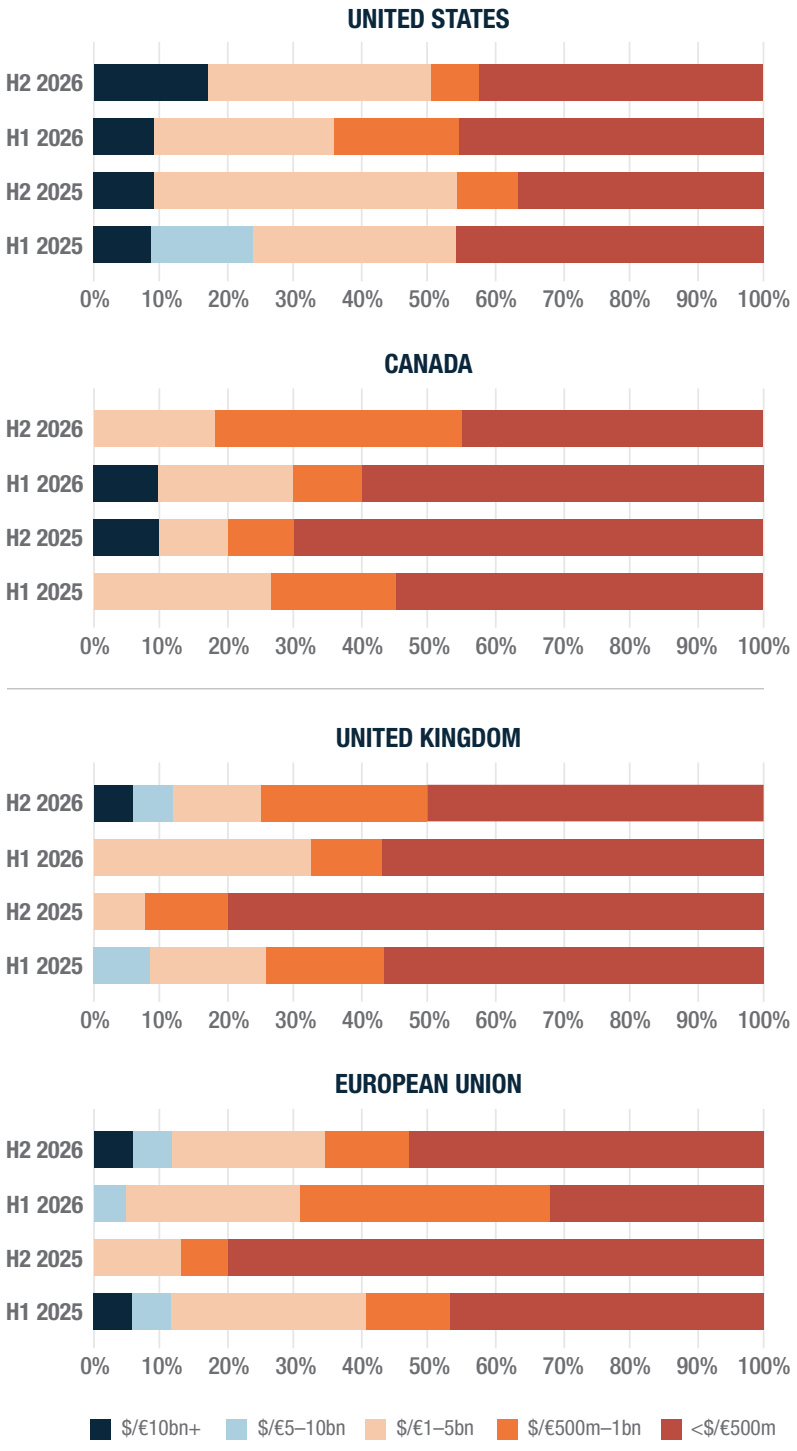
Europe's response combines more supply sources with investment in grids and flexibility. The European Commission's Clean Energy Investment Strategy, published in March, puts transition costs at close to €700 billion a year through the 2030s and proposes an EIB-anchored fund to help grid operators finance build-out. Survey plans are diverging: half of EU respondents plan to spend under €500 million on net zero over five years, up from about a third in H1, while a small share now plan €10 billion or more. Networks, rather than generation, are the bottleneck, and permitting reform and grid queues are leading political issues in Germany, the Netherlands and the UK. Sentiment on all three has declined from H1, most sharply in the UK.

More countries are exploring alternative energy supplies, including reviving or expanding nuclear power. Italy has passed a law to restart their nuclear sector, and the US federal government has committed $17.5 billion in conditional loans. In Europe the debate has moved on to more operational issues, with plant life extensions and small modular reactors receiving attention and the EU's transitional treatment of nuclear under its taxonomy easing financing discussions. Nonetheless, private capital remains cautious given construction risk and long development cycles, and most European nuclear relies on government support through state balance sheets or regulated asset base models. Demand from off-taker with large loads, like data centres, may be one way to accelerate deployment.

In the US, clean energy capacity has increased significantly despite some administration opposition to wind and solar. Solar and onshore wind are the two lowest-cost sources of energy, and developers have accelerated projects to benefit from Inflation Reduction Act tax credits before they are phased out.

Battery storage has moved into the mainstream in Europe. Installations reached a record 36 GWh in 2025, taking the operating fleet above 100 GWh, and annual additions are expected to exceed 50 GWh in 2026. Capacity market and ancillary service revenues now provide enough contracted income for infrastructure investors to underwrite risk previously regarded as merchant, and storage is increasingly paired with solar, wind and data centres. Investor sentiment has softened, however: survey sentiment has fallen since H1, moving storage down the sector rankings.

How much investment do you expect to make in existing or new infrastructure assets over the next 5 years to achieve zero carbon emissions in your portfolio?



REGIONAL OUTLOOK

Canada leads all regions in sentiment for a second consecutive period, with the US receiving the second highest score supported by strong deal flow and a more business friendly climate. In H1 2026, Canada benefited from favourable investor sentiment based on positive government signaling and potential investment opportunities coming to market. Whilst the enthusiasm has held strong into H2 2026, investors are looking for signs that will convert this positive sentiment into actionable commitments: nearly half said flagship projects need visible private-sector backing, about four in ten want revenue or offtake certainty on named projects, and none have yet seen a Major Projects Office scheme reach procurement.

The UK recorded the largest decline in Europe during the last six months. Its score fell from H1 2026, with around a third of respondents negative, most likely in response to the uncertainty of a new administration coming in and the resurfacing of the debate around public ownership of critical infrastructure assets. Political uncertainty also clouded France's outlook. Markets with clearer policy direction and a positive demand trended positively; Spain and the Nordics eased only slightly, Ireland was flat, while Germany also slid from H1 but drew no negative scores as its €500 billion infrastructure fund begins to translate into orders. Respondents favour assets that relieve bottlenecks, such as terminals, ports and sites with grid access, but want clearer rules and faster grid connections before committing.

TRENDING TOPICS

UNITED KINGDOM

On the UK Government's 'greater public control of essential services' agenda, which best captures your position?

Note: Respondents could select more than one answer.

55% It's an ideological signal that raises our long-term risk on UK regulated assets

50% The bigger problem isn't the direction, it's the lack of clarity: we can't plan 3–5 years against it

14% It's pragmatic positioning: we don't expect it to translate into policy that changes our underwriting

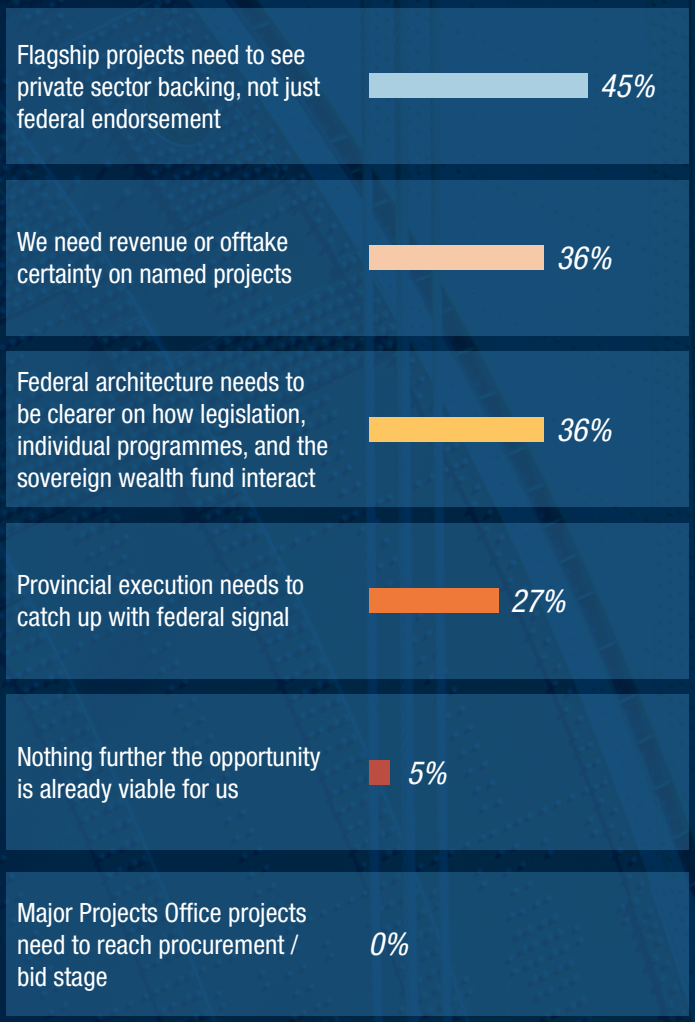
9% It could be constructive: a reset that sets clearer expectations for private capital

9% It's already changing what we'll commit to in UK regulated assets

CANADA

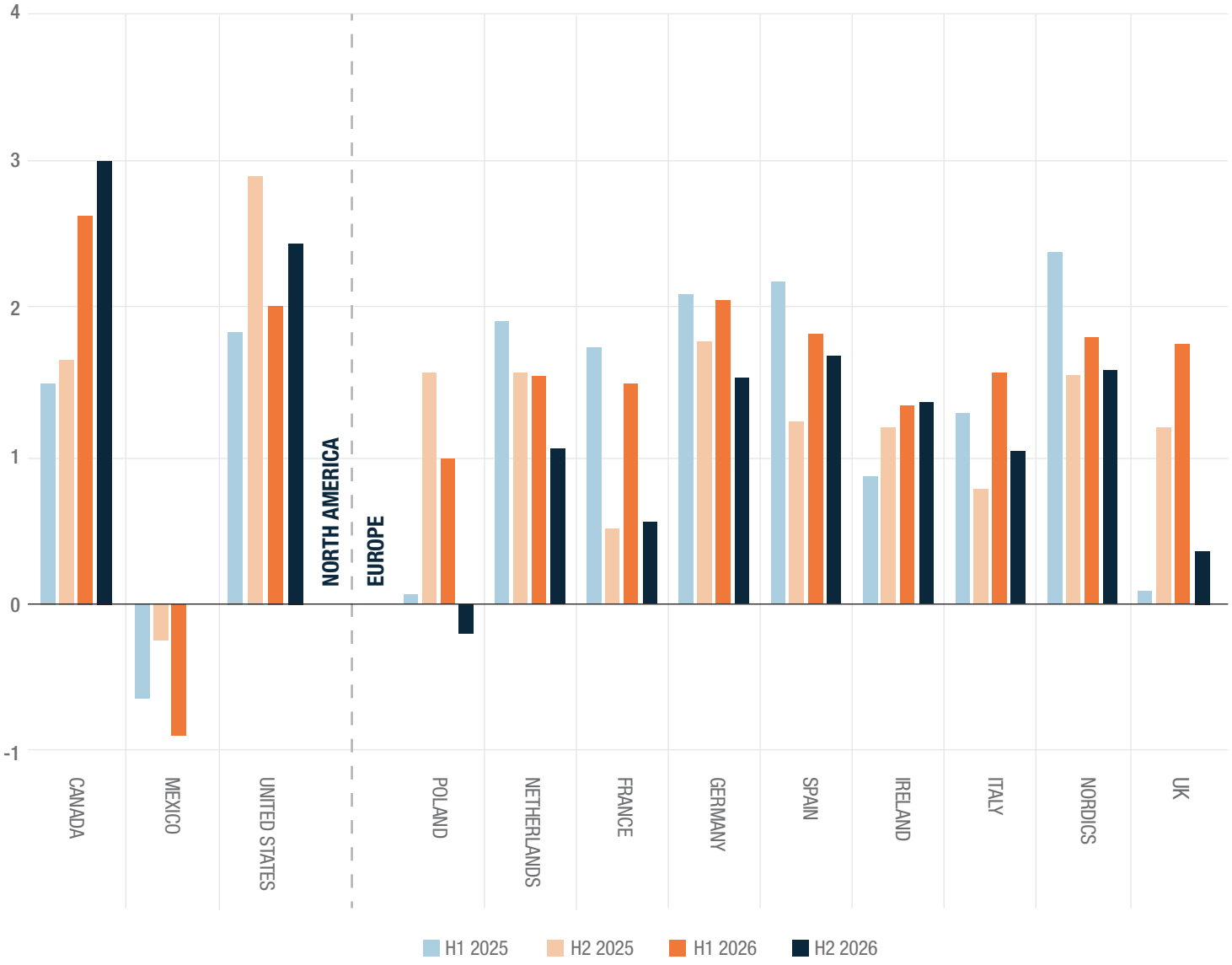
Canada ranked first for attractiveness in our last survey. What needs to happen to convert sentiment into actual commitments?

Note: Respondents could select more than one answer.



REGIONAL OUTLOOK

What is your outlook for the attractiveness of, and opportunities for, your fund(s) infrastructure investment in the following countries in the next 6 months? (-5: extremely unfavourable, 0: neutral, 5: extremely favourable)



"Investors would love to deploy more capital in Canada. The unfortunate reality is that big ticket assets remain owned by public authorities and there aren't any big blue chip opportunities for investors to get their teeth into."

– NORTH AMERICAN INVESTOR

SECTOR OUTLOOK

Power and utilities are at the top of the infrastructure investment agenda, driven by demand from data centres, electric vehicles and broader electrification. Companies are seeking scale to capture this demand, and interest is strong in renewables but also traditional fossil generation (with a particular return of interest in gas assets), with battery storage seen as a complement to offset the intermittency of renewables.

In Europe the theme in the utilities' space is capital recycling rather than consolidation. Network operators' investment needs exceed what their balance sheets can carry, so they continue to sell minority stakes in grids, renewable portfolios and conventional generation. Regulated grid assets remain the most contested, given clear revenue models and political support for grid expansion, but crowded auctions have pushed returns down to levels last seen before the rate cycle began. The level of activity in this sector drove higher sentiment in H1. Sentiment has reduced in the most recent survey which reflects a lower level of large-scale opportunities on the immediate horizon.

Investor interest in digital infrastructure and data centres remains strong, but site selection and development progress, including power and connection and local approval given community opposition and zoning delays, which have slowed projects in North America, have become the key driver of investment attractiveness.

Europe faces the same tension between a rising demand and a still tight supply chain (due to delays in connecting to the grid). Data centres remain respondents' top sector, though sentiment has eased from H1, in part due to connection waits of several years in established markets (Frankfurt, London, Amsterdam, Paris and Dublin). Denmark has legislated to move data centres to the back of the connection queue, Scotland has paused consents for hyperscale schemes for up to a year, and Ireland requires new sites to bring their own dispatchable generation or storage. Development is shifting to the Nordics, Iberia and Southern Europe, where power is available. Roughly seven in ten respondents name faster, more predictable grid connection as the change that would most lift their investment, and about half identify long-term certainty on power price and availability as critical. More widely, fiber sentiment is weak and has declined from H1.

Transport has been affected by geopolitical events in 2026, though less severely than feared. Europe leads in the share of new car sales taken by EVs and plug-in hybrids, a partial mitigant against oil price shocks, though the supply is changing affecting the viability of domestic investment in the manufacturing sector.

European construction is returning to modest growth in 2026 after two weak years, with infrastructure supporting the recovery while residential and commercial building remain subdued. Drivers include public investment (notably Germany's €500 billion infrastructure fund), spending front-loaded before the Recovery and Resilience Facility expires at the end of 2026, and defense-related construction. This has renewed investor interest in contractors and engineering services with exposure to grids, rail and energy.

TRENDING TOPICS

UNITED STATES

How are you navigating community and local opposition to data centre development in the US?

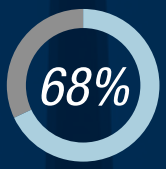
Note: Respondents could select more than one answer.

- **32%** Community benefit agreements and greater local engagement
- **27%** Local economic incentives: jobs commitments, utility-bill relief, community investment
- **27%** Closed-loop or reduced-water cooling systems
- **23%** Bringing dedicated new generation with the load (renewables, gas, storage)
- **23%** Not a sector we're active in
- **18%** Behind-the-meter generation to reduce grid draw
- **18%** Siting away from contested locations: brownfield, remote or industrial sites
- **0%** We haven't encountered material opposition to our projects

EUROPEAN UNION

Which policy change would increase your data centre investment in Europe?

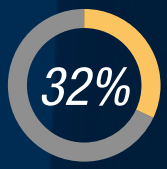
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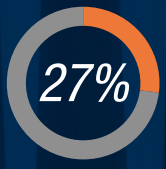
Faster, more predictable grid connection



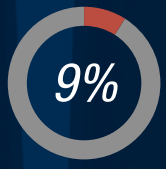
Long-term certainty on power price and availability



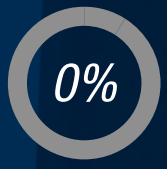
Enabling on-site generation, behind-the-meter and private-wire connection



A single, time-bound permitting procedure



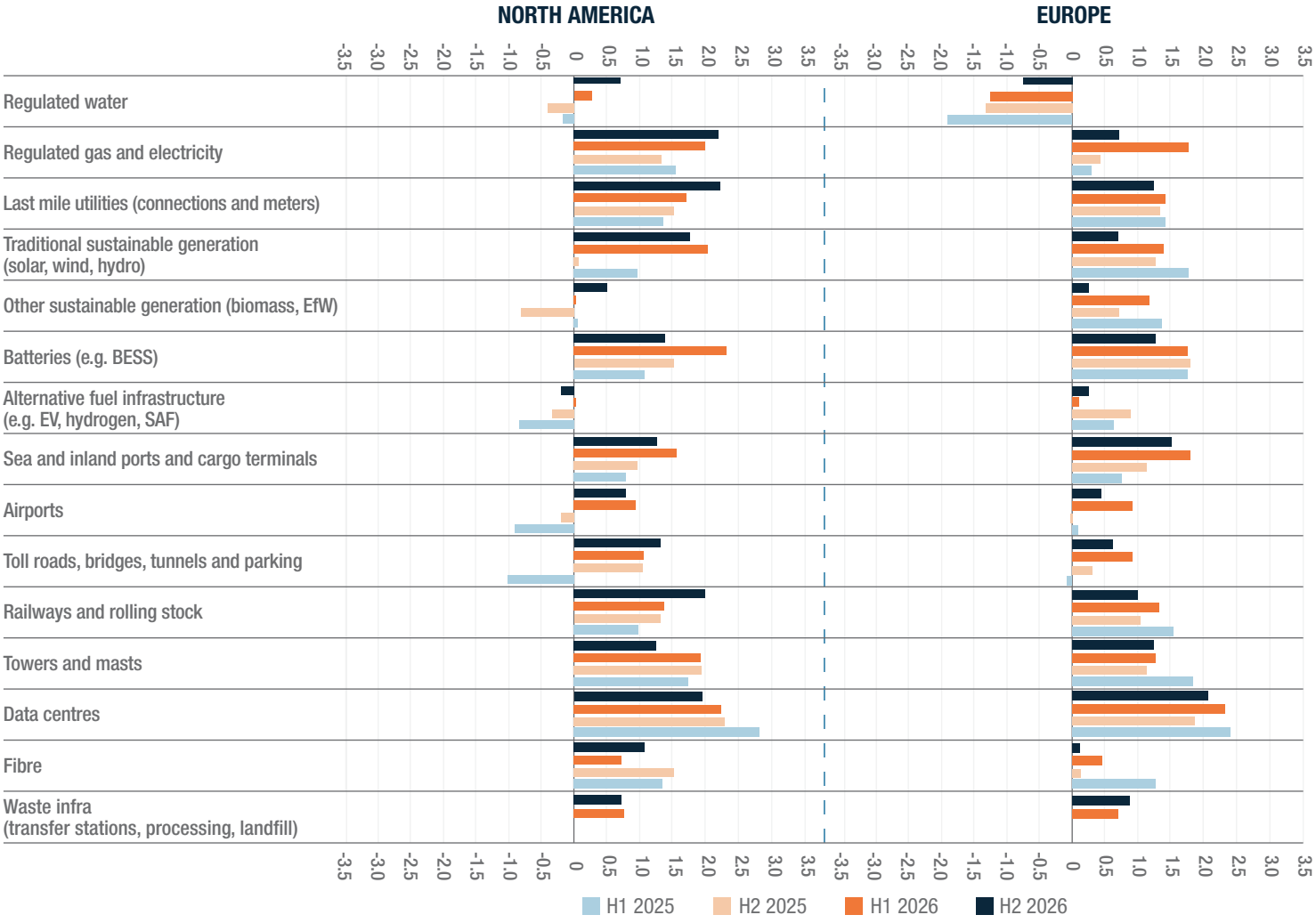
A common EU-wide rating and comparability framework



Nationaly significant status for data centres

SECTOR OUTLOOK

What is your / your fund(s) outlook for overall infrastructure opportunities for your fund(s) in the following sectors in the next 6 months? (-5: extremely unfavourable, 0: neutral, 5: extremely favourable)



"Fifty percent of opportunities in the US for Infra investors are Data Centres or associated power related assets. Investors are either "full" on data centres, having made investments over the last 18 months, or see an increasing risk profile. In that context the decline in sentiment from previous highs doesn't surprise me"

– NORTH AMERICAN INVESTOR

"There have been a lot of large scale trades in Europe in the regulated power sector across for example Germany, Finland and UK. The decline in sentiment is likely a reflection of the opportunity set for 2027 being more limited"

– INSTITUTIONAL INVESTOR

BARRIERS TO INVESTMENT

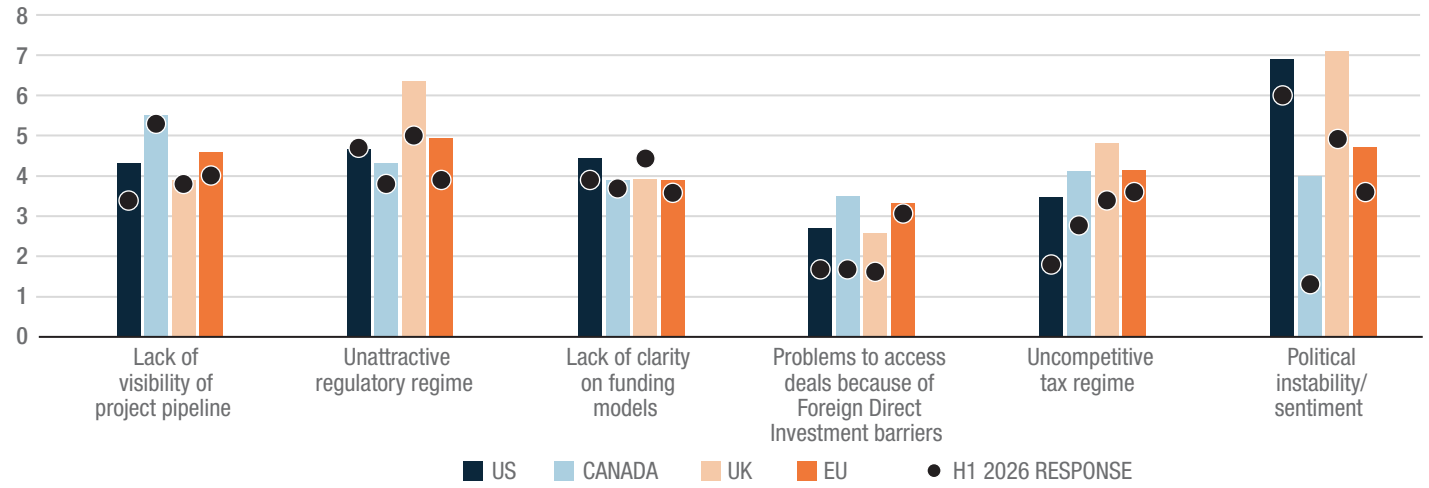
The prolonged Middle East conflict, including uncertainty over access to the Strait of Hormuz, has kept US inflation elevated, at 3.7% in September 2026. Infrastructure is still seen as a stable asset class, with private infrastructure delivering returns of around 10%, driven by contracted, inflation-linked cash flows. The survey shows some US barriers rising: political sentiment toward private investment is the top concern and has risen since H1, and concern about the tax regime has nearly doubled. In Canada, pipeline visibility continues to be the most pressing barrier for investors to understand what, when, and how government announcements will convert into real investable opportunities.

In Europe, rising barriers relate more to politics and rules than to the cost of capital. In the UK, concern over political sentiment toward private investment, the regulatory regime and tax all rose from H1; most respondents view the push for greater public control of essential services as a political signal, with the paucity of details driving uncertainty. We see a similar story in the EU where regulatory uncertainty is the key barrier closely followed by pipeline visibility. Permitting, grid connection and planning timelines for greenfield projects now routinely exceed fund investment periods, and regulatory frameworks for storage, data centres and hydrogen vary significantly across member states.

Political uncertainty around data centres persists, driven by consumer concern over energy bills. New York has become the first US state to pause state environmental permits for new data centre construction on sites above 50 MW for one year, and Virginia, which has the world's largest concentration of data centres, is the first US state to tax data centre electricity use.

Europe is seeing similar pushbacks, triggered by grid capacity rather than energy bills (though we expect those to follow soon as energy prices increase). Consents have been rejected or restricted at a record pace in 2026, and governments increasingly ask developers to bring their own power, as Ireland does and Spain proposes. Investors should expect regulators to judge new applications on energy security and affordability and should factor in grid access. Respondents already cite grid power and faster connections as the change that would lift their investment, instead.

Which of the following do you view as the key barriers when looking to invest? (0: Not important, 5: Somewhat important, 10: Most important)



"Whilst there is a reasonable amount of ideological rhetoric and posturing from the Burnham administration, for now policy remains centrist and its more bluster than reality. The political uncertainty in the UK comes from not knowing what will happen in the medium term if, for example, a more radical labour manifesto receives a mandate. That is unsettling for investors."

– INSTITUTIONAL INVESTOR

"Given the Survey was taken in the run up to the Mid-terms it is understandable that US political uncertainty rates highly. The outcome of the Mid-terms and the political stalemate of a Democrat House and Senate and a Republican President creates policy stability for the next two years and more certainty for investors."

– INTERNATIONAL ASSET MANAGER

ABOUT THE GLOBAL INFRASTRUCTURE INVESTOR ASSOCIATION (GIIA)

GIIA brings together the strength of the world's leading infrastructure investors and advisors into one powerful, global voice.

In the 10 years since our launch in 2016, GIIA has grown from 19 founding organisations to nearly 140 investors and advisors, representing $2.6 trillion of infrastructure assets under management across 70 countries.

We have delivered a decade of impact: influencing policy and regulation across the world's leading markets for privately financed infrastructure, championing investors' interests, and shaping the creation of new opportunities for investment through evidence-based arguments and constructive dialogue. For a decade we have sought to 'future proof' the growing infrastructure asset class, working with governments to change mindsets; promoting policy consistency and regulatory clarity; and encouraging transparent, bankable pipelines of investment opportunities.

We help policymakers better understand and reduce obstacles to investment, so that plans for economic growth, sustainability and resilience can be delivered. By influencing policy, we enable opportunities for private investors to own, modernise and maintain essential infrastructure. And in doing so, we highlight how our members are benefitting society, not just through new and improved infrastructure but also through delivering returns to the ultimate beneficiaries of these investments – pension savers and the general public.

www.giia.net

ABOUT ALVAREZ & MARSAL INFRASTRUCTURE

A&M Infrastructure helps infrastructure funds, corporates, private equity, sovereign wealth funds, and family offices with comprehensive infrastructure support to deliver strategic and practical bottom lines for maximizing the utilization and value of assets. From inception of fund structuring to deal execution, portfolio optimization, through project delivery and asset disposal, our experienced team of transaction experts is dedicated to providing an integrated breadth of service and senior leadership across the entire infrastructure investment lifecycle.

Our deep-rooted projects expertise, combined with reputable due diligence capabilities and operational excellence, provides a strong foundation for our transaction services. We offer guidance on clients' most critical project challenges and drive performance in all areas of infrastructure investments, including acquisition and vendor due diligence, risk mitigation, capital efficiency, project execution, financial modelling and cost rationalization. With a global network of more than 3,000 private equity and capital projects professionals across the U.S., Europe, Latin America and Asia, our robust team is comprised of transaction advisory specialists, tax and accounting experts, engineers, former industry operators and C-suite executives, all armed with next-level infrastructure insights to guide you in your next deal.

www.alvarezandmarsal.com

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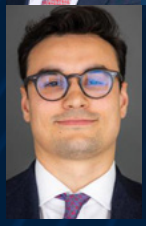
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