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A Guide to

DATA CENTRE CONSTRUCTION IN FINLAND

2026

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Finland is quickly becoming one of Northern Europe's most attractive locations for digital infrastructure. Large international project owners, hyperscalers and developers drive substantial investments. The growing pipeline creates significant opportunities across civil works, power supply systems, cooling systems and heat recovery.

This booklet focuses on the legal and commercial issues that contractors, suppliers and specialist service providers need to understand when working on Finnish projects.

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Finland as a Data Centre Market

Key drivers

Finland's attractiveness for digital infrastructure investments is based on a number of factors being present at the same time.

First of all, Finland offers a clear cost advantage for energy-intensive data centres due to its **low electricity prices**. Underpinned by fast-growing generation of renewable energy, Finland has consistently been one of Europe's lowest-cost wholesale electricity markets in recent years. With electricity production retaining considerable growth potential, prices are expected to remain adequate even with increasing demand.

More than 95% of Finland's domestic electricity production is **carbon-neutral**, with wind, hydro and nuclear forming the backbone of the mix. This caters to many data centre investors' objectives of achieving growth while maintaining sustainability.

Important for digital infrastructure, Finland offers excellent **data connectivity**. It is a major Northern European digital gateway with multiple subsea fiber connections to Central Europe, Sweden and the Baltics. New Baltic Sea cables and longer-term Arctic routes are set to strengthen the country's role as a low-latency bridge between Europe and Asia.

At the same time, **power grid availability** continues to be excellent in Finland. Transmission capacity is continuously expanded to enable large-scale electrification. National grid development is designed to support major new industrial loads, including data centres, hydrogen projects and other energy-intensive investments.

Finland's climate facilitates **natural cooling and heat recovery**. While the cool environment lowers energy intake for cooling, Finland's well-developed district heating networks can turn waste heat into an additional revenue stream and sustainability advantage.

Finally, Finland combines strong technical know-how, high cybersecurity standards and deep experience in critical infrastructure, making it a strong location for **secure and sovereign data hosting**.

Opportunities for contractors

Public discussion of data centre investments often focuses on power consumption and the delivery of computer hardware. In fact, however, they are first and foremost infrastructure construction projects, with high demand for local contractors and service providers.

Projects range from mid-sized facilities to billion-euro campus programs, creating a growing pipeline of complex industrial construction work. They are becoming a major project category with demanding technical, commercial and interface requirements.

Data centres require large-scale civil works, electrical infrastructure, backup power, UPS systems, cooling, fire safety, automation, security, fiber connectivity, testing and commissioning.

Even where a contractor does not work directly for the project owner, individual packages can be substantial and offer opportunities for specialist expertise, repeat work and long-term positioning in a fast-growing project category.

Investment drivers

- Low electricity prices
- Low-carbon power
- Connectivity
- Grid availability
- Natural cooling
- Heat recovery
- Security of supply

A Data Centre Project in a Nutshell

A typical project moves through overlapping workstreams rather than a simple linear sequence. Contractors should identify which deliverables are on the critical path before accepting schedule risk.

Permitting, access rights, grid connection and heat recovery can directly affect construction start, sequencing and completion. Contracts should identify employer dependencies, contractor obligations and priced-in assumptions. They should also state when delays, authority requirements or design changes give rise to time and cost relief.

Project stakeholders

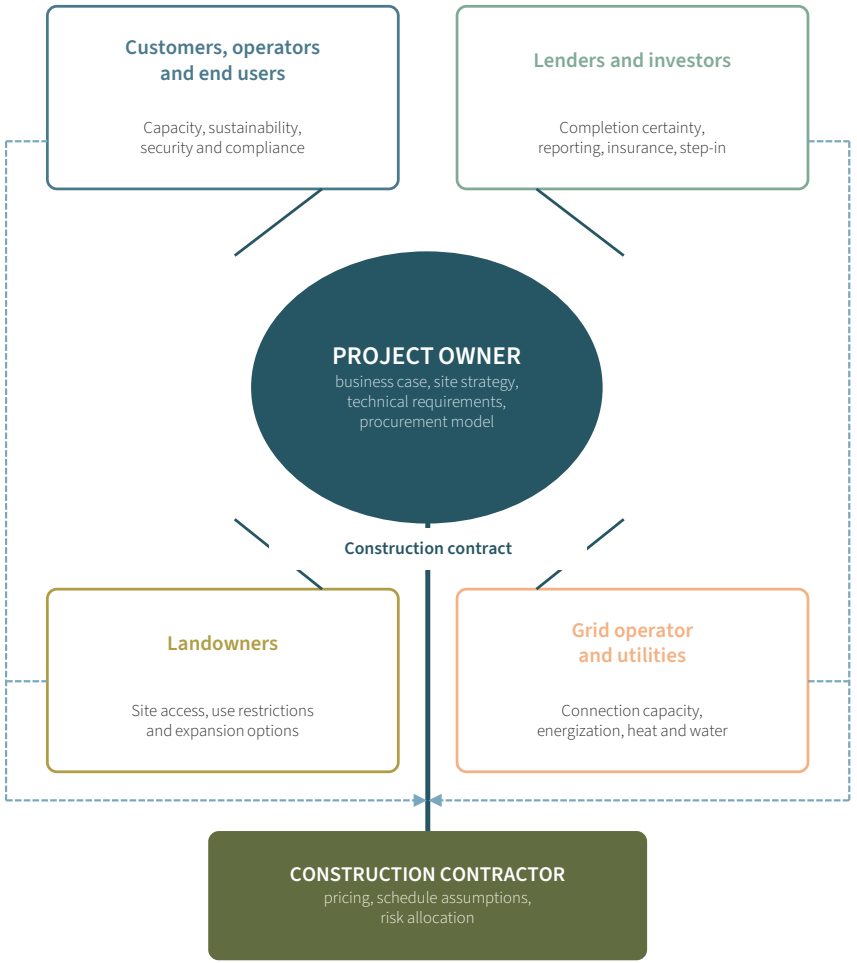
Data centre projects sit within a dense stakeholder network. While a contractor typically contracts with only one party, the delivery is shaped by many others. For the contractor, understanding these interfaces is essential for pricing, schedule assumptions and risk allocation.

At the centre of the stakeholder network is the **project owner**. Usually a large international company, the project owner defines the overall project's key parameters such as business case, site strategy, technical requirements, procurement model and long-term operating assumptions.

These parameters are shaped through the project owner's relations with its commercial stakeholders:

- The project's business case is ultimately defined with a view to the future data centre's **customers, operators, and end users**. They form the market for the centre's service, driving capacity needs, sustainability criteria, security level, and compliance requirements, all of which may flow down into construction contracts.

In a data centre project, parallel workstreams constantly influence each other



The project owner in a data centre project has numerous stakeholder interfaces. Each of these relationships reaches into the construction contract.

- **Lenders and investors** provide financing for construction and operation of the data centre. They will define requirements for completion certainty, counter-party requirements, reporting, insurance, and step-in rights.
- Finnish data centre projects are developed both on purchased land and under long-term land leases. The relationship with **landowners** defines site access rights, use restrictions and expansion possibilities.
- Relations with the **power grid operator** and **local utilities** impact connection capacity, energization schedule, heat recovery, water management, and other utility interfaces.

Another important group of stakeholders consists of authorities, including the municipality as well as other planning, building and environmental authorities. We will address zoning and permitting further below.

Site, access and local conditions

Site control is usually based on land purchase, long-term land leases or both. In addition to the core building site, land rights must support electrical infrastructure, backup power generation, cooling and heat recovery systems, utility corridors, roads, security perimeters, laydown areas, temporary compounds and future expansion.

Access should be verified from the nearest public road to the erection site. Depending on the location, access may depend on easements or agreements with road associations or neighbouring landowners. Heavy transport may require road widening, reinforcement, drainage works or new junctions, which may need additional rights or approvals.

For contractors, these issues affect mobilization, logistics, sequencing, crane positions, temporary works and delay risk. The contract should state which site and access rights are secured, which rights remain employer dependencies and what relief applies if access is delayed or restricted.

Zoning and permitting

Projects typically involve several parallel permitting and approval tracks. These may cover the physical buildings, backup generation, fuel storage, emissions, noise, traffic and earthworks. They may also cover water use, groundwater, nature values, landscape effects and connection infrastructure.

- Municipal zoning sets the legal framework for the site, including land use, building rights, access and infrastructure.
- If the project is likely to have significant environmental effects, an Environmental Impact Assessment (EIA) may have to be completed before key permits can be obtained. The EIA does not grant a permit itself but informs later decisions and can shape permit conditions and project design.
- Environmental, water, road, rescue and chemical safety questions involve separate state, regional or specialist authorities.

For contractors, it is key to know whether relevant permits are final, what conditions they impose and who carries the risk if authority requirements affect design, methods, timing or site access. They should check whether the construction time schedule relies on permits that are not yet final, and test whether authority conditions may require design or method changes. If permits, approvals or appeals affect the works, the contract should provide workable delay and cost relief. Permit-related obligations should be visible in the contract, not left as general background risk.

Power, grid and energization

Power is the defining technical and commercial issue for data centres. It is also one of the most important construction interfaces. Grid connection, substations, transformers, switchgear, UPS systems, backup generators, batteries, testing and energization must align with the civil, electrical, mechanical and commissioning schedule.

Parallel permitting and approval tracks on a Finnish data centre site.

Contractors should understand whether grid connection dates are firm or assumed. They should know who is responsible for utilities and what happens if energization is delayed. Temporary power, staged commissioning, testing and handover also need a clear plan.

Heat recovery as a Finnish differentiator

Heat recovery is one of Finland's clearest advantages for data centre projects. The cool climate, extensive district heating networks and municipal interest in useful waste heat create a strong practical case. Server heat can become local energy. Where it can be supplied reliably and at usable temperatures, heat recovery can support the business case, sustainability profile, and municipal acceptance.

Heat recovery infrastructure is a technical and contractual project in its own right. The parties need to address heat availability, temperature levels, return temperatures, interruptions and heat pumps. Metering, pricing, investment responsibility, maintenance, liability and the district heating interface also need clear allocation.

Data Centre Construction

Data centre construction combines traditional construction and civil works with highly technical systems. The physical building is only one part of the project. Power and electrical infrastructure, cooling, automation and safety systems are equally critical and must be designed, installed, tested and commissioned to form an integrated, fully functioning facility.

These systems will typically be delivered by different contractors and suppliers under separate contracts within the delivery chain. As a result, successful delivery depends heavily on effective interface and schedule management. A delay, design change or performance issue in one package may affect the installation, testing or commissioning of several others. Clear allocation of scope, responsibilities and dependencies is therefore essential for successful project delivery.

Contract models

Data centre projects can be delivered under a variety of different contracting models. The key distinction between different models is how responsibility for design, procurement, construction, coordination, system integration and construction management is allocated between the project owner and the different contractors involved.

The selected contract model determines who bears the risks associated with design, interfaces, delays, coordination and overall system performance. In practice, a single project often combines several models across the delivery chain. The project owner may appoint a single contractor to take a central role in the delivery and coordination of the project or a defined part of it. That contractor may in turn procure individual work packages from subcontractors and suppliers through separate construction, supply or installation contracts.

Compared to more traditional industrial investments in Finland, most data centre investments are distinguished by their **pronounced internationality**. In most cases,

the project owner will not be a Finnish company but rather a globally acting IT corporation. The Finnish investment will also usually be part of the investor's global upscaling strategy and therefore be only one link in a chain of investments in numerous countries.

This set-up has various implications.

First of all, while much of the construction services and deliveries will be procured locally or regionally, the investor will usually use the same trusted suppliers throughout different investments for certain critical trades. Such suppliers will bring with them their own working cultures and cooperation habits, making the working environment and interfacing more challenging also for other contractors.

Second, the investor will often seek to replicate contract terms used with its contract partners throughout projects in different countries. This means that data centre project partners will be facing contract models that are otherwise not widely used in Finnish construction, and such contracts may be subjected to foreign jurisdictions. Subcontracting further down in the delivery chain will nevertheless gravitate towards more traditional Finnish contract models, which can make it challenging arranging contract obligations in the chain back-to-back.

In this environment, standard contract forms widely used in Finnish contracting practice (e.g., YSE 1998, KSE 2013) may be less useful than usually. More guidance may be found in the FIDIC contract models that enjoy substantial popularity in international plant construction but are still less known in Finland, in particular:

- **FIDIC Red Book**: Construction form typically used where the project owner is primarily responsible for design and contractor executes the works. May be relevant for defined civil or infrastructure works, but must be aligned with Finnish law, authority processes and local construction practice.
- **FIDIC Yellow Book**: Design-build / plant form where the contractor carries more design and performance responsibility. Potentially relevant for MEP, power, cooling, substation or integrated technical packages if adapted to Finnish project realities.

Key contractor risks

	Why it matters	Mitigation focus
Scope and design	Unclear design or performance responsibility can turn a defined package into open-ended liability.	Defined scope matrix, design deliverables, exclusions, assumptions and employer requirements.
Interfaces and sequencing	Civil, electrical, cooling, security, fiber and commissioning packages are tightly interdependent.	Interface matrix, defined milestones for access and employer deliverables, clear relief for third-party delay.
Grid and energization	Delayed or conditional energization can affect testing, commissioning, completion and payment.	Review grid milestones, temporary power, staged testing and employer dependency clauses.
Permits and authorities	Permit status and authority requirements may change design, methods, timing or site access.	Keep a permit register, change mechanisms and relief for authority-driven changes.
Testing and acceptance	Acceptance may depend on integrated systems and other contractors' performance, not only one package.	Define test criteria, prerequisites, deemed acceptance, evidence requirements and partial handover rules.
Liability and flow-down	Customer, lender and owner requirements may create disproportionate package-level exposure.	Check caps, exclusions, carve-outs, delay LDs, insurance and back-to-back obligations.

- **FIDIC Silver Book:** EPC/turnkey form intended for projects where the contractor assumes broad responsibility for design, procurement, construction and performance. Potentially relevant for integrated facilities or major technical packages, subject to substantial tailoring.

Construction interfaces as a core issue

Data centre construction is interface-heavy by nature. Civil works, building envelope, substations, electrical distribution, backup generation, UPS systems, cooling, ventilation, fire safety, automation, security, fiber, IT halls, and heat recovery all need to align. Each package must arrive at the right time, with the right information and with clear handover points. Unclear responsibility for interfaces, delay, testing and performance is the most pronounced legal risk in data centre construction.

Contractors should focus on scope boundaries, design responsibility, employer's requirements and dependencies on other packages. Access to work areas, information obligations, change control and delay responsibility also need precision. The same applies to testing, energisation, commissioning and acceptance. Many disputes arise not from total non-performance, but from unclear responsibility for interfaces.

Security, cybersecurity and operational readiness

Data centres sit at the intersection of digital services, energy infrastructure and security of supply. For contractors, this affects more than physical site access. It can shape personnel screening, confidentiality, information security, documentation control, incident reporting, supply-chain requirements, physical security and handover procedures.

Customers in regulated sectors may impose additional requirements that flow down to contractors and suppliers. The contract should clearly distinguish between obligations the contractor can control and those belonging to other parties. These may include the owner, operator, colocation customer, network provider or facility manager.

From tendering to claims prevention

For contractors, the value of legal advice is often highest before the contract is signed. Tender clarifications, scope exclusions, assumptions and qualifications should be addressed early.

The same applies to schedule dependencies, design deliverables, change procedures, employer obligations and acceptance criteria. At this stage, there is still real leverage to shape the risk profile.

- Is the contractor's **scope** clear, complete and separated from other packages?
- Are **tender clarifications**, exclusions and assumptions incorporated into the contract?
- Are **design responsibility**, employer information and performance criteria clearly allocated?
- Are grid requirements, permits, site access, employer deliverables and interfaces reflected in the **time schedule**?
- Are **payment** milestones, retention, advance payment, security, title and suspension rights workable?
- Are procedures for **variations, acceleration, and disruption** workable in practice?
- Are **extension-of-time** rights available for employer, authority, grid, permit and third-party delays?
- Are **test criteria**, prerequisites, evidence requirements, partial acceptance and deemed acceptance clear?
- Are **liability** caps, exclusions, LDs, indemnities, insurance and warranty obligations proportionate?

- Which owner, lender, customer, security, ESG and cybersecurity requirements are being **passed down**?
- Are notice templates, **document-control** rules and evidence routines ready from day one?

Once construction starts, disciplined contract administration becomes critical. Notices, records, variations, delay analysis, testing documentation and handover evidence need to be managed from the outset. Issues should be escalated before the positions harden.

In fast-moving data centre projects, claims prevention is usually more effective than dispute resolution after the schedule has slipped.

Dispute resolution

Construction disputes are best handled early, while the project can still move forward. The contract should set out clear escalation steps, notice requirements and decision routes for changes, delays, defects, testing issues and final account claims.

Common dispute resolution methods include management negotiations, mediation, expert determination for technical issues, arbitration and court proceedings. Arbitration is often preferred in industrial-scale projects because it is private, flexible and allows the parties to choose arbitrators with relevant expertise.

For contractors, the practical priority is dispute readiness during delivery. Timely notices, meeting minutes, site records, photographs, correspondence, change logs, delay analysis and testing documentation often decide whether a claim can be resolved commercially or must be escalated.

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About Bergmann

Bergmann is a boutique law firm specialised in the construction, energy and infrastructure sectors in Finland. Our team of industry-savvy lawyers advises clients throughout the lifecycle of complex construction projects, from procurement and financing through execution and dispute resolution.

We are particularly experienced in industrial plant construction and large-scale infrastructure builds, combining legal precision with a practical understanding of the industry's technical and commercial dynamics. With our hands-on mindset and business-focused approach, we help clients manage risk and move projects forward with confidence.

How Bergmann supports clients in Finland

Tender & Bid Phase

Tender review, qualifications, assumptions, exclusions and negotiation strategy

Contract Negotiation

EPC, design-build, subcontracts and O&M negotiation

Project Mobilisation

Interface matrix, permit dependencies, notice templates, contract administration set-up

Delivery & Change Management

Variations, notices, delay records, correspondence, escalation and claims prevention

Testing, Commissioning & Handover

Acceptance review, handover documentation, defects process, final account support

Disputes & Close-out

Claims analysis, settlement strategy, expert coordination, dispute resolution

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