Cloud Infrastructure Outlook 2027: Hyperscale Investment Expands the Installed Base Without Accelerating Hardware Retirement

Published: 27 November 2026 | Author: David Daoud

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Executive summary

Corporate earnings from Meta, Alphabet, Microsoft and Amazon point to continued expansion of hyperscale computing infrastructure in 2027. Capital spending commitments extend well beyond current equipment deployments, with additional investment required to accommodate growing demand for artificial intelligence and cloud services.

Amazon expects approximately $220 billion in capital expenditure for 2026, while Microsoft’s calendar-year spending is expected to reach approximately $170 billion. Meta narrowed its capital expenditure forecast to between $135 billion and $145 billion.

The expansion is increasing the population of computing assets that will eventually require disposition. However, strong utilization of existing infrastructure and continued demand for previous-generation processors challenge the assumption that higher capital expenditure will produce a corresponding increase in near-term hardware retirements.

The hyperscale recovery market is developing around a growing installed base whose retirement schedules remain closely tied to computing demand and the operational value of existing equipment.

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Our Offices: Boston, MA | 2361 Walnut Court, Pembroke Pines, FL 33026