AI-related companies expanding rapidly says Savills

12 months ago

According to Savills latest research, AI-related companies are expanding rapidly across European cities, among the most quickly in Central London, upsizing at rates of up to ten times existing floorspace, as they compete to hire the best talent.

Across Europe this year, Shoper Group signed for 600 sq m as a development centre for their AI operations in Poznan, Poland; US global semiconductor company, AMD, doubled its footprint signing for 4,200 sq m at Cambridge Science Park, UK and AI company, Amadeus signed for 500 sq m in Milan, Italy. Similar to life sciences, AI remains one of the industries where physical clusters with access to knowledge and expertise remains most important among occupiers, according to the international real estate advisor.

Andrew Barnes, Director in Savills central London tenant representation team, says: "We are seeing a new wave of demand coming from the service sector to expand their digital functions, with a particular focus on legal, data and cybersecurity to ensure compliance and security in order to improve business efficiencies. We expect companies to seek more flexible lease terms with the ability to upsize and downsize operations as they try and gauge the impact AI is going to have and scale headcount accordingly."

Yetta Reardon Smith, Director Workplace & Design at Savills, comments: "Occupiers will demand more from their building experience, particularly with improved efficiencies around heating, ventilation and air conditioning as a way to reduce energy usage. AI's impact on office occupiers will also include remote work facilitation, and improved workplace management, such as dynamic room booking systems able to allocate rooms based on attendance of in person versus remote thus improving real estate optimisation."

Mike Barnes, Associate Director in Savills European commercial research team, says: "Businesses are far from fully devolving responsibility to AI in the short to medium term. Many jobs will need to adapt to incorporate and utilise AI, with jobs both lost and created as governments and businesses focus on upskilling and reskilling workers. We believe that the medium-long term structural trend towards service sector employment growth will outweigh the number of office-based roles automated through AI.

"The divergence between sectors will be varied, with technology and programming-based roles observing large increases and administrative and clerical roles declining. Though, this is nothing new: as with any new technological advancement, job displacement and retraining have always been the case and governments and businesses will play a large part in the reskilling of workers."

[Read the research report in full here](#)