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AI Could Reduce UK Office Demand by 54 Million Square Feet Within Five Years, New Research Finds

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A new report from workplace consultancy AWA suggests artificial intelligence could trigger a net 54 million square foot reduction in UK office demand over the next five years, as organisations rethink workforce capacity, space requirements and workplace strategy. This revised analysis accounts for both jobs displaced by AI and new AI-driven roles being created, resulting in a more balanced assessment of future office demand.

The findings, published in AWA's AI Impact Report 2026, indicate that AI has the potential to free up an average of 10.9 hours per employee per week by reducing routine cognitive workloads across knowledge-based roles. According to the report, this productivity gain equates to approximately 15.8 million full-time equivalent roles of additional workforce capacity across the UK economy.

Why Productivity Gains Won't Necessarily Mean Job Losses

Importantly, the report notes that these productivity gains may not be viewed as a direct reduction in workforce numbers. While AI has the potential to automate routine tasks. Whilst some jobs will be displaced by AI, much of the additional capacity created is expected to be reinvested in higher-value work, new services, emerging roles and relieving pressure in high-demand occupations.

For facilities, workplace and property professionals, the implications could however, be quite significant as the scale and nature of the organisation and workforce transition to a knowledge-intense format.

What This Means for Occupiers, Property Teams and Facilities Managers

“Most organisations are still viewing AI as a productivity tool,” says Andrew Mawson, Founder of AWA. “The bigger question is what happens to workplace demand when millions of hours are returned to employees every week. Real estate leaders need to understand how AI will influence occupancy, portfolio requirements and future lease decisions and CEO’s need to watch out for new competitors.”

“But, it is important to note that a 54 million sq ft reduction in office demand doesn’t necessarily mean 54 million sq ft disappears. For many organisations, the bigger opportunity will be to reconfigure space around the activities that create the most value. As AI takes care of more administrative tasks, offices can become less focused on individual desk work and more focused on collaboration, innovation, learning, culture and belonging.

“Equally, businesses shouldn’t assume that productivity gains automatically translate into headcount reductions. Much of the impact we’re already seeing is happening through slower hiring, natural attrition and changing role requirements rather than large-scale redundancies. The question isn’t just how much space organisations need, but what that space is for, where it should be and how it supports the work of elite knowledge workers .”

The research draws on a task-level analysis of 412 UK occupations, assessing the impact of AI across 18 categories of work activity. The study found that many professional, managerial and knowledge-worker roles could see significant time savings, creating new questions around workplace utilisation, hybrid working patterns and the need for office space.

Hiring Trends Could Change Space Demand Faster Than Expected

The report also suggests that office demand could change sooner than many organisations expect. Rather than being driven primarily by redundancies, workforce contraction is increasingly occurring through reduced hiring and unfilled vacancies in AI-exposed roles. For occupiers, this means relying solely on current headcount data may not provide an accurate picture of future space requirements.

For occupiers approaching lease renewals, the findings raise important strategic considerations.

Founder of AWA, Andrew Mawson, says: “These findings should prompt occupiers to think differently about their future space requirements, particularly as lease renewals approach. If AI enables employees to achieve more admin tasks in less time, but have the opportunity to work on more higher value collaborative tasks with colleagues, organisations will need to reassess whether their existing office footprint reflects future workforce needs and occupancy patterns.

“But businesses shouldn’t focus solely on efficiency gains. AI is also creating entirely new categories of work, from AI governance and risk management to integration, deployment and oversight roles. While some traditional roles may shrink over time, new office-based occupations are emerging and helping to offset some of the reduction in office demand.”

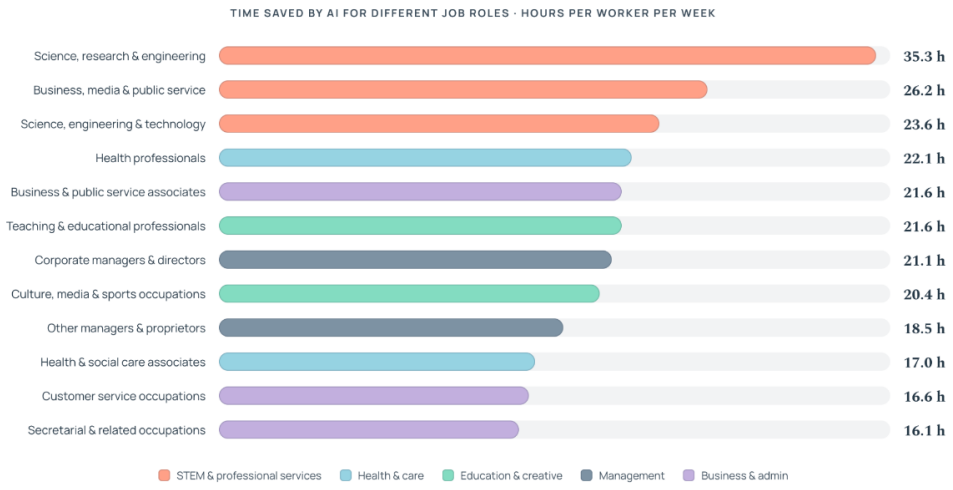
The opportunity now is to align workplace strategy with both business performance and employee cognitive performance and wellbeing, ensuring organisations get the greatest value from their people and their space.”

Which Roles Will Be Most Affected?

The analysis suggests AI will have the greatest impact on professional, managerial, administrative and knowledge-based occupations, including finance, HR, legal, marketing and project management functions.

Because these roles account for a significant proportion of office occupancy, changes in hiring patterns, workforce capacity and role design could have far-reaching implications for workplace utilisation, portfolio planning and future office demand.

Industries seeing the most significant amount of ‘time-saved’ by AI adoption



As organisations prepare for the next generation of workplace transformation, AWA believes AI should now be considered a core factor in real estate decision-making.

“The organisations that win won’t simply be those that deploy AI fastest,” added Andrew. “They’ll be the ones that understand how AI changes the relationship between people, work and place and can evolve to manage perpetual change. We’re entering an era where organisational change and evolution will become a continual process rather than an occasional transformation.”

To read the full report, you access it here: https://www.advanced-workplace.com/insights/ai-impact-report-2026/