



For Immediate Release

Cushman & Wakefield Study: AI to Drive Stronger Growth and Higher Real Estate Demand Across Asia Pacific

Scenario-based analysis shows AI will expand demand across office, industrial and retail

Singapore, June 10, 2026 – Artificial intelligence (AI) is set to fuel economic expansion and increase demand for commercial real estate across Asia Pacific (APAC), rather than displace it, according to a study by Cushman & Wakefield. The analysis, [AI Impact: Regional Insights – Asia Pacific](#), noted that AI will act as a net positive force for both economic growth and real estate demand as the region strengthens its position as a global hub for production, services and innovation.

*“There is a misconception that AI will reduce the need for physical space,” said **Dr. Dominic Brown, Head of International Research, APAC & EMEA, Cushman & Wakefield**. “Our analysis shows the opposite – AI expands economic activity and that ultimately drives greater demand for real estate across sectors.”*

The APAC analysis is part of Cushman & Wakefield’s global, multi-sector, scenario-based assessment of how AI adoption could reshape real estate fundamentals over the next decade. Rather than attempting to predict how AI itself evolves, the framework focuses on how firms respond to AI under different adoption, productivity and monetisation scenarios and how those responses translate into macroeconomic outcomes, space demand and capital markets dynamics. These scenarios are also fully integrated into Cushman & Wakefield’s “House View” forecasting process, incorporating broader macroeconomic factors such as monetary policy, trade dynamics and geopolitical risks.

Four Scenarios, Wide Range of Outcomes

Cushman & Wakefield’s study models four distinct scenarios reflecting different paths for AI adoption, productivity and labour market outcomes:

- **C&W Baseline — Gradual Adoption (50%):** Moderate productivity gains support steady economic expansion. *Demand holds up, with near-term softness in select sectors, as AI becomes additive over time.*
- **Productivity-Led Expansion (15% probability):** Rapid AI adoption drives strong economic growth and job creation. *Broad demand growth across sectors supports rent growth and rising values.*
- **AI Bust — Moderate Recession (25%):** AI adoption falls short of expectations, contributing to a cyclical downturn. *Demand weakens in the near term, with higher vacancies and rent pressure, followed by recovery.*
- **Dystopic/Displacement (5%):** AI adoption proves more labour-substituting than expected, leading to higher unemployment. *Demand remains weak for a more sustained period, with downside pressure on rents and values.*

MEDIA CONTACT:

Foo Chek Yee
Head of PR, APAC
+65 6317 8353
chekyee.foo@cushwake.com

Under the baseline scenario, the APAC economy is projected to grow at around 3-4% annually through 2030, supported by AI-driven productivity gains and continued investment in infrastructure such as data centres and power.

“AI will be a critical force in sustaining APAC’s long-term growth story,” said Dr. Brown “It will help offset demographic headwinds in some developed markets while accelerating productivity across emerging economies.”

While AI will automate certain routine functions, the study indicates overall employment in APAC is expected to rise, with a projected net increase of 58.5 million jobs between 2026 and 2030 under the baseline scenario. However, this growth is likely to moderate over time as economies mature, alongside a shift toward higher-value, knowledge-based work.

AI Impact on Real Estate

From a commercial real estate perspective, AI is expected to be additive to demand, rather than a substitute for space as stronger economic output and business formation drive higher occupancy needs over time. This expansion will be accompanied by structural changes in how space is used as well as evolving investment strategies. Emerging asset classes, particularly data centres are expected to become increasingly central to portfolios.

Under the baseline scenario, core real estate returns are projected to stabilise at around 10%, supported by strong regional growth and evolving demand drivers.

- **Office Market to be Transformed, Not Disrupted**

Prime net absorption of office space is projected to reach 1.035 billion sq ft over the next decade under the baseline scenario. Demand will increasingly favour high-quality, flexible spaces in prime locations, particularly in talent-rich cities and environments designed for collaboration and innovation. This sustained flight to quality, already evident in recent years, is expected to accelerate further, widening gap between premium and lower-grade buildings.

- **Logistics and Data Centres Lead AI-Driven Demand**

The logistics and industrial sector is set to be one of the primary beneficiaries of AI adoption, with demand driven by automation, e-commerce growth and rising supply chain complexity. Prime net absorption is forecast to reach 2.542 billion sq ft by 2030 under the baseline scenario. Within this growth, data centres are emerging as critical infrastructure, with power availability becoming a key constraint in shaping both supply and investment decisions.

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- **Retail to Become More Polarised**

Stronger income growth will support spending but the retail market is expected to split into clear winners and losers. High and low-end retail segments are likely to outperform, while mid-tier retail will face structural challenges, reflecting a more polarised consumer landscape.

While the overall outlook is positive, there are potential downside risks such as slower-than-expected AI productivity boost or labour market disruption, which could result in higher vacancy rates and downward pressure on rents.

“While the base case is constructive, the range of outcomes remains wide. Understanding the different scenarios is critical for both occupiers and investors as they plan for the next decade,” said Dr. Brown.

About the Study

[AI Impact on Commercial Real Estate: The Next 10 Years](#) uses econometric models and a scenario-based framework integrated into Cushman & Wakefield's House View forecasts. The analysis traces AI's impact through a chain of transmission – from foundational drivers (regulation, power infrastructure, data center development) through AI adoption and productivity, macroeconomic outcomes, occupier demand, and real estate market response. Regional reports covering the U.S., EMEA, and Asia Pacific are available at [cushmanwakefield.com](https://www.cushmanwakefield.com).

About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of \$10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that *Better never settles*, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

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