

Time to Dive: The AI Adoption Trend Accelerates

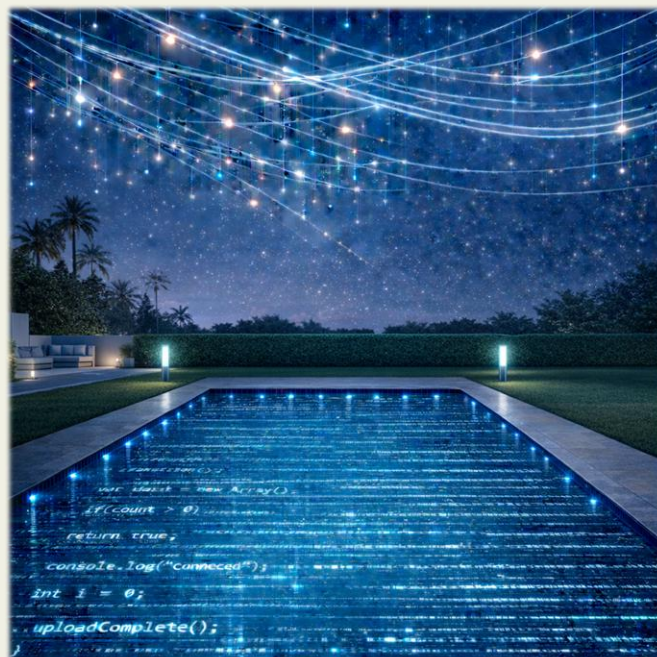


Matt Hayes
Senior Research Analyst, Occupier Research
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In *Balancing Acts 2026*, we maintained that CRE leaders face a tricky task: to cut costs while enabling transformation, navigating volatility, and preparing for growth. With advancements in artificial intelligence technologies potentially presenting businesses with an array of opportunities to both elevate their offerings and streamline their processes, organisations have been dipping their toes in the pool to test the temperature and experiment.

As we near the end of Q1 2026, operational AI is starting to become endemic across business sectors. Many organisations are now diving into the pool in a bid to gain a head start over their rivals, or at least to ensure they don't fall behind them. Across the corporate world, it appears that, as predicted in *Balancing Acts*, experimentation with AI is evolving into some cohesive corporate action favouring more enterprise-wide adoptions.

In this edition of Talking Points, we review a selection of the latest announcements from across the corporate world, to better understand how next-gen tech is influencing early-adopters' plans for the future, and how, from a real estate perspective, it will go on to drive occupier demand in terms of five key trends.



Five Key Trends

1. Office Infrastructure

Effective AI deployment will be dependent on power capacity and digital connectivity.

2. Learning and Development

Organisations need to upskill their workforces. Even the best AI tools will be worthless if nobody can use them.

3. Cost Efficiency

The cost of powering AI will bring both energy efficiency and wider real estate expenditure into greater consideration.

4. Operational Agility

Occupiers need agile solutions to ensure they can keep pace with evolving technological and strategic demands.

5. Bringing People Together

Workplaces must be deliberately designed to foster cross-functional connection and ideation.

Meta Links Employee AI Usage to Performance Reviews

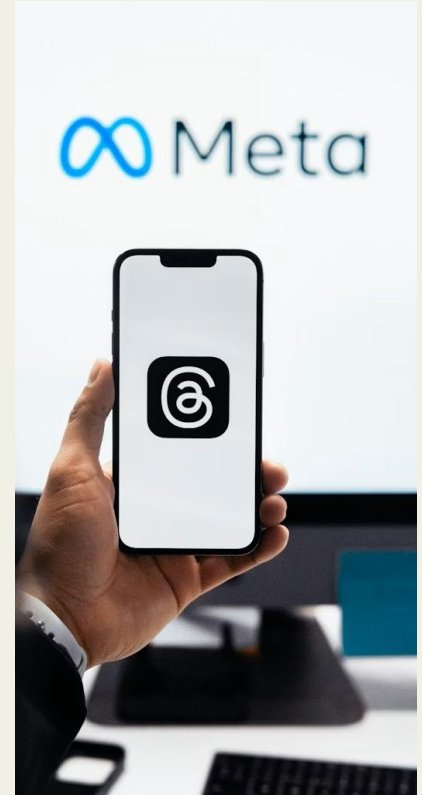
Naturally, Silicon Valley tech giants have been among the first to embark upon significant operational AI deployments. For Meta, their journey started back in 2024, with the launch of its internal tool Metamate. Built on the group's large language model (LLM) Llama, this AI 'enterprise assistant' helps employees with a variety of tasks, including coding, research and drafting communication.

By November 2025, the efficiencies realised through this solution became apparent. Meta announced a round of layoffs, impacting around 600 roles across the group's AI infrastructure, research and product integration teams. This reflected an ambition to use Metamate as a central aspect of its enterprise software ecosystem to enable the group to achieve more with fewer people.

In February 2026, news broke that Meta's expectations of its employees regarding AI use are changing, with the incorporation of AI use into its performance reviews and bonus decisions. This strategy is built around Checkpoint, a new AI-powered performance tracker. It aggregates data from systems employees use to summarise individual contributions, which includes gathering evidence of AI-driven output. Employees demonstrating "AI-driven impact" are now eligible for higher rewards, including a new 'Meta Award': a 300% bonus multiplier for top performers.

This development highlights how the tech titan is not only tracking the utilisation of AI tools, but actively encouraging it with lucrative incentives, in what could be preparation for a significant reinvention of its workflows and approach to activities.

For strategies like this to bear fruit, two conditions need to be met: the AI tools being deployed need to be effective, and employees need to be able to use them effectively. On these fronts, Meta and other occupiers looking to adopt a similar approach need to leverage their real estate portfolios as the foundations of their AI strategies.



Trend 1: Office Infrastructure That Enables Successful Tech Deployments

Without the right energy and digital infrastructure, organisations won't be able to deploy anything. For enterprise-wide AI adoption, at the very least, occupiers need to ensure their premises can be supplied with enough energy to run power-hungry systems.

Onsite substations should not be seen as an optional extra: they will likely be essential to ensuring that occupiers have the long-term capacity to run their operations without constraints. Also, occupiers need to be cognisant of how their offices' energy consumption will fluctuate dramatically throughout the day, creating peaks that strain systems and troughs where energy is wasted. Large-scale onsite battery storage can help smooth out these patterns, deploying stored energy during high-demand periods to ease pressure on grid connections, while also reducing operational costs. This, in turn, also highlights the importance of energy-efficient premises that will help to minimise occupiers' electricity consumption needs and, as a result, help to ensure the commercial viability of energy-intensive advanced tech deployments.

Network speed, capacity and resilience will also be critical for the successful rollout of operational AI. In addition to ensuring they have enough quality wireless access points that can deal with high-density networks, occupiers will need facilities with the latest fibre optic cabling solutions and extensive, accessible routes that provide built-in capacity to support future upgrades. Certifications from WiredScore will bring assurance of buildings' digital connectivity.

Trend 2: Spaces That Support Learning and Development

Employees may take up training of their own volition but, to ensure the success of enterprise-wide deployments, organisations will need to take a proactive approach to L&D. This will, in many locations across their global footprints, necessitate dedicated training space.

On this front, occupiers need versatile spaces that can be tailored to the specific needs of the sessions they are hosting. These training facilities will also ideally boast embedded tech to support the delivery of interactive and hybrid activities. In addition to maximising utility, these features will empower occupiers to deliver impactful training programmes that will quantifiably support employee productivity and skills development.

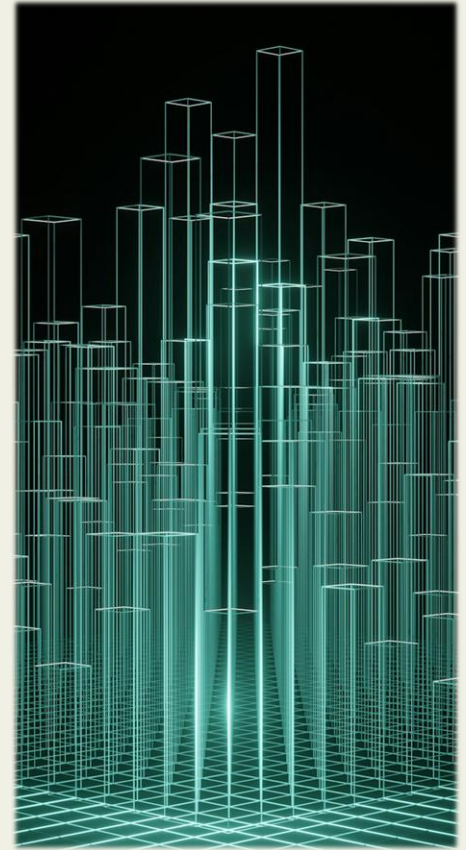
Santander Builds Growth Plan on Digital Transformation Project

At the end of February, the global banking group announced a series of new expansion ambitions. It aims to scale its customer base, from 180 million across Europe and the Americas at the end of 2025 to 210 million by 2028. The group also wants to boost its bottom line. It is targeting a global net profit of €20bn by 2028: this would represent a 42% uptick from its record result in 2025.

Santander's 'ONE Transformation' three-year plan is principally built on intended investments in data and AI. The group is looking to fully embed advanced technologies across its businesses, so that it can deliver "hyper-personalised journeys," as well as achieving end-to-end process automation, and realising AI-powered frontline productivity gains. The bank projects that, by 2028, these initiatives will generate more than €1bn of annual business value, including cost savings.

Santander's tech-centred strategy highlights the dual focus of the group's three-year plan: to scale, while simplifying its operations. The implicit tension between these aims is particularly pertinent following the group's announcement of its US expansion through the \$12.2bn acquisition of the Connecticut-headquartered Webster Bank. While this deal will make Santander's customer acquisition ambitions much more achievable, the complexity its integration will bring could impact its bottom-line aspirations. It therefore appears that, in addition to elevating and streamlining its existing operations, the bank's data and AI initiatives will play a central role in its efforts to successfully and efficiently embed Webster into its global group.

This leads us to consider the wider impact of AI adoption strategies on occupier real estate needs, as a key indicator of cost and business planning priorities.



Trend 3: Cost-Efficient Offices

As noted elsewhere, the deployment of advanced, next-generation tech necessitates energy-efficient facilities, to help occupiers mitigate the cost implications of power-hungry systems' increasing their energy consumption. Together with low-carbon plant solutions, passive features and air tightness should be prioritised to minimise the need for energy for heating, cooling and ventilating premises. Equally, smart building energy management systems will help teams to monitor and manage their resource consumption in line with efficiency aims.

All in all, while occupiers may be allocating substantial sums to fund their tech strategies, they will not have unlimited budgets, especially considering the volatility of the current environment for business. This means CRE leaders will need to be targeted with their real estate choices, and must ensure that all investments can deliver clear and quantifiable returns. As a result, many occupiers may be careful not to acquire more space than they will realistically need in the short to medium term. Additionally, cost-sensitive occupiers are likely to be sceptical of flash features and gimmicks, prioritising instead options with specifications that promise tangible and immediate organisational benefits.

Trend 4: Spaces That Support Operational Agility and Experimentation

Santander's new three-year strategy heralds big changes that are sure to redefine its teams, their roles and their processes. While in this instance there are added considerations, such as the bank's global acquisition strategy, it is clear that, with continued technological advancements, the real estate choices Santander will make in 2026 to accommodate its digital transformation may not align with the realities of the business by 2028.

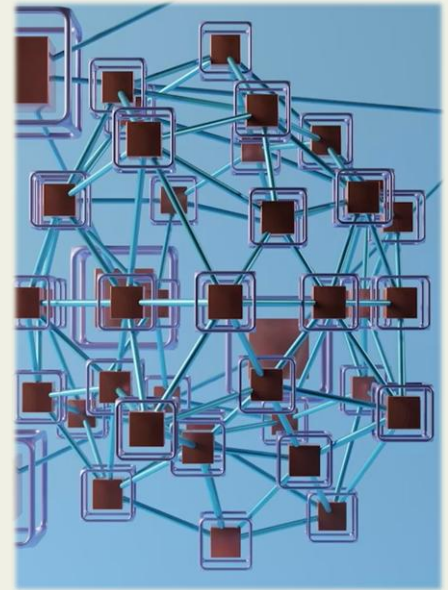
Occupiers embarking on digital transformations this year need to bake agility and resilience into their real estate portfolios. On one hand, this places an onus on the infrastructure considerations outlined previously. On the other, occupiers also need to ensure they are inhabiting adaptable workspaces. Modular solutions, with versatile fixtures and furnishings that can be tailored to changing needs, will prove essential to swift reconfigurations and experimentation with layouts. Equally, occupiers may increasingly value flexible leases that offer the ability to extend or consolidate their footprints in the event of a strategic pivot.

Block Inc Announces AI-Driven Restructure

Returning to Silicon Valley, Twitter co-founder Jack Dorsey made waves with his recent announcement. His diversified tech group Block, which owns the fintechs Square and CashApp as well as the music streaming service Tidal, intends to dramatically scale back its global workforce, in a restructuring programme will result in more than 4,000 of its 10,000 employees being asked to leave or being placed under consultation. The rationale is clear: in a letter to stakeholders, Dorsey described how “a significantly smaller team, using the tools we’re building, can do more and do it better.”

This streamlining move and the justification were announced alongside some headline-grabbing rhetoric. Dorsey stated that “intelligence tools have changed what it means to build and run a company,” adding that “within the next year, I believe the majority of companies will reach the same conclusion and make similar structural changes.”

Whether or not this forecast will be realised, we can only wait and see. Block’s own employees remain unsure, with the Guardian reporting on staff members viewing Dorsey’s statements as “posturing for the market.” Still, in the meantime, this development raises questions about the future of the office, not only with respect to the quantity of space that will be needed following AI-driven restructuring activity, but in relation to the office’s organisational role.



Trend 5: Spaces That Bring People Together

The ‘Death of the Office’ narrative that emerged post-Covid has long since been put to bed. Most employees still attend their workplaces regularly, despite the prevalence of hybrid work models. However, since the turn of the decade, the role offices play in organisations’ operations has notably evolved. With the widespread adoption of mobile technology, the office is no longer the domain of basic, desktop-based work, but its strategic function as a hub for collaboration, innovation, learning, and embedding organisational culture has come into clearer focus.

If intelligence tools are changing what it means to build and run a business, this strategic role for offices will likely become increasingly critical. It has therefore never been more important for occupiers to inhabit offices that have been designed to bring people together. This means easy access to a range of spaces for both scheduled and ad hoc group work, as well as spaces designed to create opportunities for chance encounters, across open neighbourhoods, at touchdown workspaces between zones, along high-footfall routes around the office, and at well-frequented onsite amenity provisions and ‘third place’ locations. These will prove essential to fostering valuable cross-functional working relationships, and encouraging the formal and informal exchange of expertise and ideas.

Key Takeaways

We are living through a historic period of transition. The latest wave of technological advancements offers substantial opportunities, not only in terms of elevating organisations’ offerings, but for the wholesale reimagining of business models. For many, the advent of advanced AI solutions may be a timely silver bullet that could be used to address structural, performance and productivity issues. As a result, we can expect to see digital transformation programmes being utilised in combination with other levers to realise far-reaching restructuring ambitions and operational overhauls.

With opportunities come risks, and laying off half of a workforce in pursuit of AI-driven efficiencies is certainly a high-risk undertaking. Whether Block’s gamble will pay off, only time will tell. Whether the rest of the business world will follow in Block’s footsteps, out of inspiration or necessity, is also currently unclear.

Nevertheless, with the current direction of travel, it appears that enterprise-wide AI adoption is on the cards for many office occupiers, and their real estate portfolios are going to play a central role in the success or failure of their strategies. To maximise their chances of success, occupiers are going to need to consider the following:

- **Energy infrastructure** – It should go without saying, but computers don’t work without electricity! However, as technologies advance, so will energy demands. CRE leaders need to be cognisant of long-term energy consumption needs, and in turn the need to future-proof their businesses to ensure they can run more power-hungry systems down the line.

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- **Digital infrastructure** – Occupiers need fast, high-capacity, secure and resilient digital networks, providing connectivity throughout their workspaces. Built-in capacity should also be a key consideration, to prevent their offices becoming obsolete in the wake of new innovations.
 - **Learning hubs** – Occupiers need to ensure they have future-ready skills across their workforces to make the most of enterprise-wide AI deployments. Access to dedicated training facilities will be a key differentiator, enabling organisations to deliver engaging and impactful learning experiences that help to maximise business outcomes.
 - **Energy efficiency** – AI deployments won't be worthwhile if the new technology costs more to power than the value it generates. CRE leaders need to take a holistic view of premises' energy performance credentials, considering everything from the plant to the building fabric to ensure they can keep a lid on their businesses' energy bills.
 - **Function over flash** – CRE leaders are walking a tightrope in their attempts to provide platforms for growth while ensuring financial resilience. Considering the challenges of the current environment for business, with the allocation of substantial amounts of capital to digital transformation strategies, occupiers will need real estate portfolios that provide clear and quantifiable value.
 - **Operational agility** – What is future-proof today may not be in a year's time. What may appear to be a clear strategic direction could take a new course with the emergence of unforeseen circumstances. With the rate at which technology is evolving, for the sake of their long-term resilience, occupiers need real estate that provides operational agility, at both a workspace and portfolio level.
 - **Collaboration** – Occupiers need offices that bring their people together. In-person interaction provides unique opportunities for the exchange of ideas and expertise, as well as being an essential component of fostering relationships and a sense of belonging. These factors will be increasingly critical to innovation and corporate culture as roles evolve amid the introduction of revolutionary new tech.
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We like questions; if you've got one about our research,
or would like some property advice, we would love to hear from you.



**Head of Global
Occupier Research**

Dr. Lee Elliott
+44 7468 729 187
lee.elliott@knightfrank.com



**Global Head of Occupier
Strategy & Solutions**

Tim Armstrong
+65 6429 3531
tim.armstrong@asia.knightfrank.com



**EMEA Head of Occupier
Strategy & Solutions**

Philipp Ueberschaer
+44 7811 771 416
philipp.ueberschaer@knightfrank.com



**Partner, COO – Occupier
Strategy & Solutions**

Ross Criddle
+44 7870 379 519
ross.criddle@knightfrank.com



**Head of Global Portfolio
Solutions, EMEA**

Giulia Grigolato
+44 20 3967 8561
Giulia.grigolato@knightfrank.com



**Partner, Head of
International, Cross-Border**

Sam King
+44 20 3995 0760
sam.king@knightfrank.com



**Partner, Executive Director,
Strategic Client Development**

James Maddock
+44 20 3540 0030
james.maddock@knightfrank.com



**Head of Global Portfolio
Solutions, APAC**

Francesco Demarco
+61 3 9604 4621
francesco.demarco@au.knightfrank.com