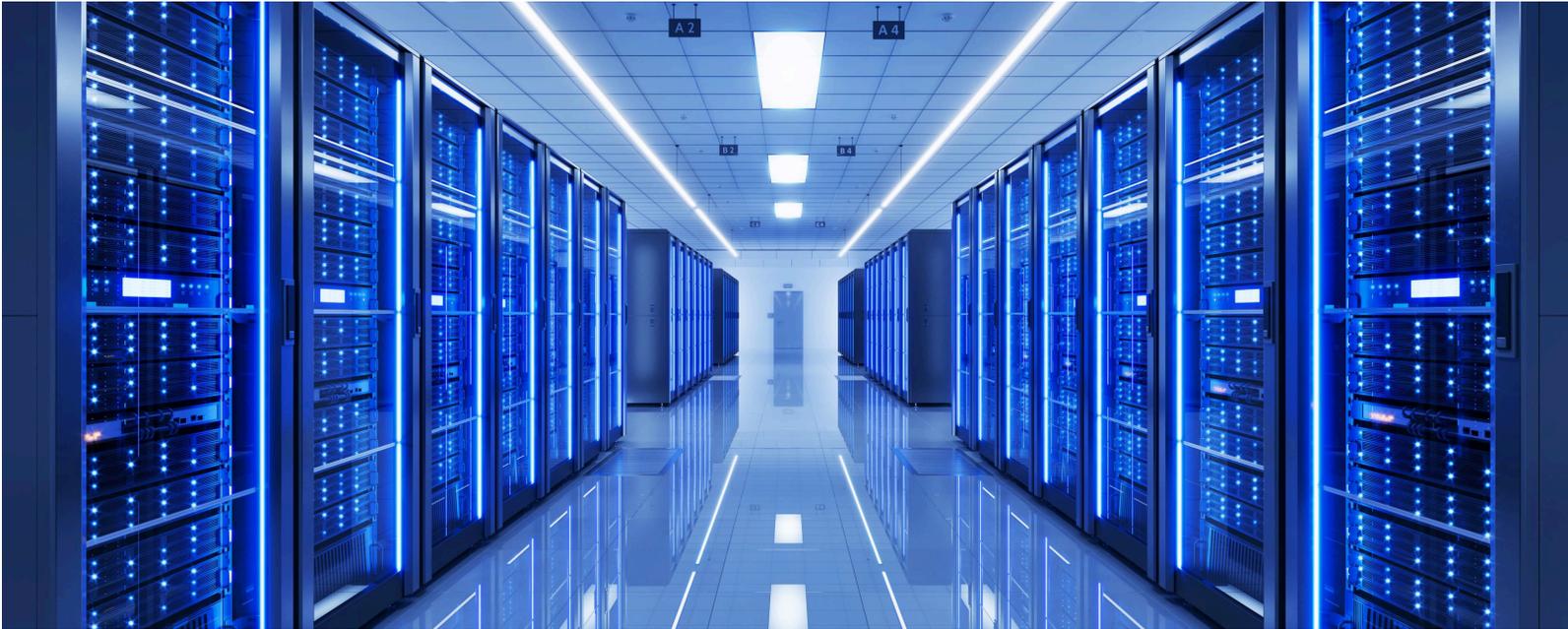


New Development Landscape for AI Infrastructure



AI Infrastructure and Economic Shifts Are Reshaping Commercial Real Estate

Commercial real estate markets are entering a period of structural change as artificial intelligence infrastructure, fiscal pressures, and evolving economic conditions reshape development priorities. Two emerging trends are becoming increasingly clear: the rapid expansion of data center development and the broader economic adjustments associated with AI adoption and government fiscal policy.

Data Center Development Accelerates

Data center construction has quickly become one of the most dominant forces in the development pipeline. National spending on data center development surpassed \$43 billion in 2025, more than doubling the previous year's total and significantly outpacing investment in traditional commercial sectors.

The surge is being driven largely by artificial intelligence infrastructure needs. AI systems require massive computing power, specialized cooling systems, and reliable electrical capacity, leading developers and contractors to prioritize data center projects over many traditional property types.

For builders, data center campuses often represent multi-year projects valued at hundreds of millions or even billions of dollars. As a result, many construction firms are focusing resources on these projects while development activity in sectors such as office and multifamily remains constrained by financing costs and market uncertainty.

This shift is also influencing land values. Sites with access to large power supplies and utility infrastructure are becoming increasingly desirable for digital network development.

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AI Growth Brings Infrastructure Challenges

While AI adoption promises productivity gains across the economy, economists and policymakers note that the technology's growth is also creating new infrastructure challenges.

One of the most significant constraints is energy. Data centers currently consume approximately 5% of US electricity, and that share is projected to double by 2030 as AI demand expands.

Utilities, policymakers, and developers are now grappling with how to scale electrical capacity, modernize the grid, and navigate regulatory approvals quickly enough to support this growth. In many markets, permitting timelines and community concerns are already affecting how quickly new data centers can be built.

These infrastructure demands are beginning to shape development decisions and regional growth patterns across the country.

Economic Conditions Continue to Influence Investment

Broader economic conditions remain an important factor in commercial real estate investment decisions. Federal budget deficits are projected to remain elevated for the next decade, while higher interest rates continue to affect financing conditions. Despite these pressures, economists generally view the risk of a near-term fiscal crisis as low, citing the stability of US financial institutions and continued global demand for US government securities.

For commercial real estate markets, these conditions reinforce the importance of disciplined investment strategies, careful underwriting, and adapting to evolving demand drivers.

What It Means for Commercial Real Estate

The intersection of AI infrastructure growth and broader economic trends is already influencing how the commercial real estate industry allocates capital and resources.

While digital infrastructure is attracting significant attention, traditional property types continue to evolve in response to changing tenant needs, adaptive reuse opportunities, and shifting economic conditions.

For investors and occupiers alike, understanding these structural trends will be critical as markets adjust to the next phase of technological and economic transformation.

At NAI Realvest, we continuously monitor national and local market trends to help investors, owners, and tenants make informed real estate decisions. As development priorities evolve and new sectors such as digital infrastructure reshape the commercial landscape, understanding how these shifts affect property values, site selection, and investment strategy becomes increasingly important.

To learn more about current market trends or to discuss your commercial real estate needs, visit www.nairealvest.com.