



How Long Will AI Demand Sustain Memory Prices

Insights at a Glance

- AI-server CapEx growth of 126% from 2025 to 2027 leads to massive server DRAM demand growth; DRAM vendors are expected to allocate 50% of their capacity for server demand in 2027, up from 35% in 2025.
- High-bandwidth memory (HBM) development life cycle has shortened and with custom HBM and newer generations, production trade ratios are worsening due to increasing technical complexity and stack height, which will result in a continuous undersupply for HBM memory through mid-2028.
- As AI data center workloads evolve, KV cache becomes more important, and LLMs transition to new algorithms, next-generation AI hardware will power upcoming AI servers. This will transform the role of memory from regular single-tier to an application-specific multitiered memory solution.

Figure 1: Nearly Half of AI Accelerators Will Not Use HBM in 2030

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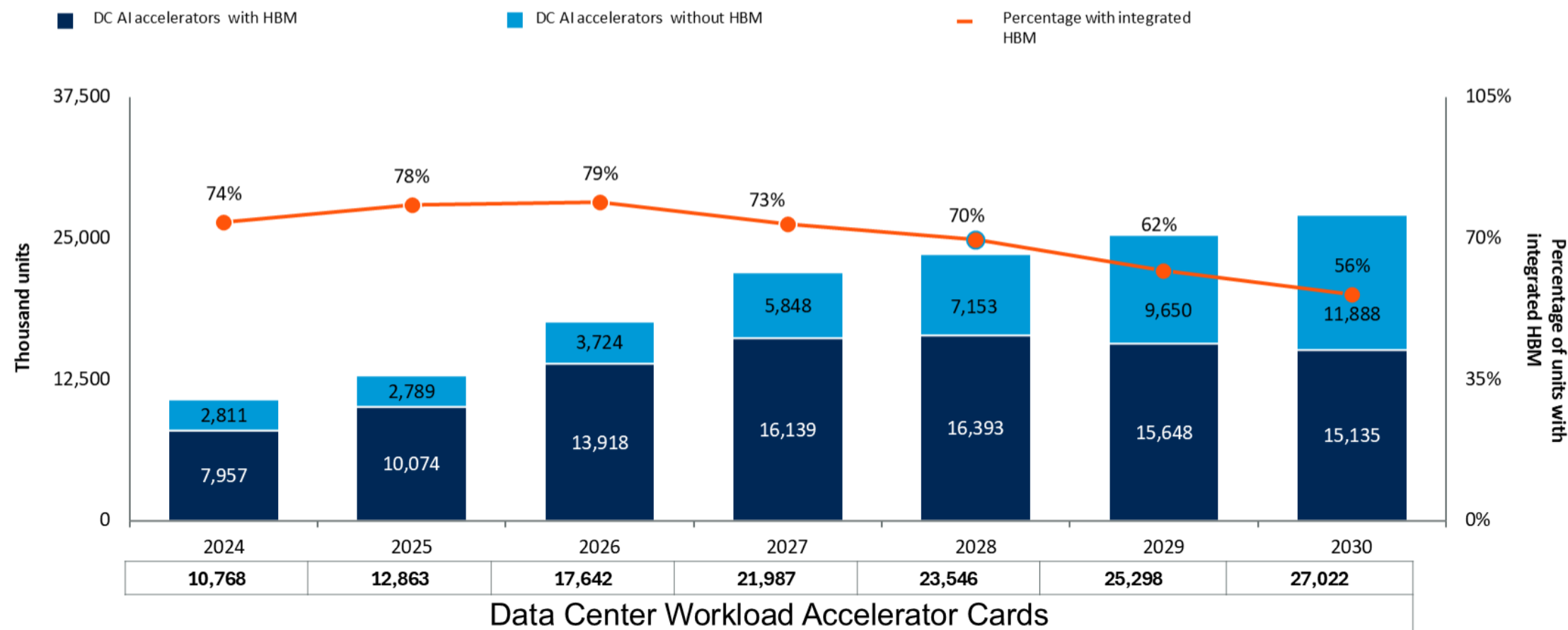


Figure 2: HBM 12% Bits and 40% Wafers Capacity by 2030

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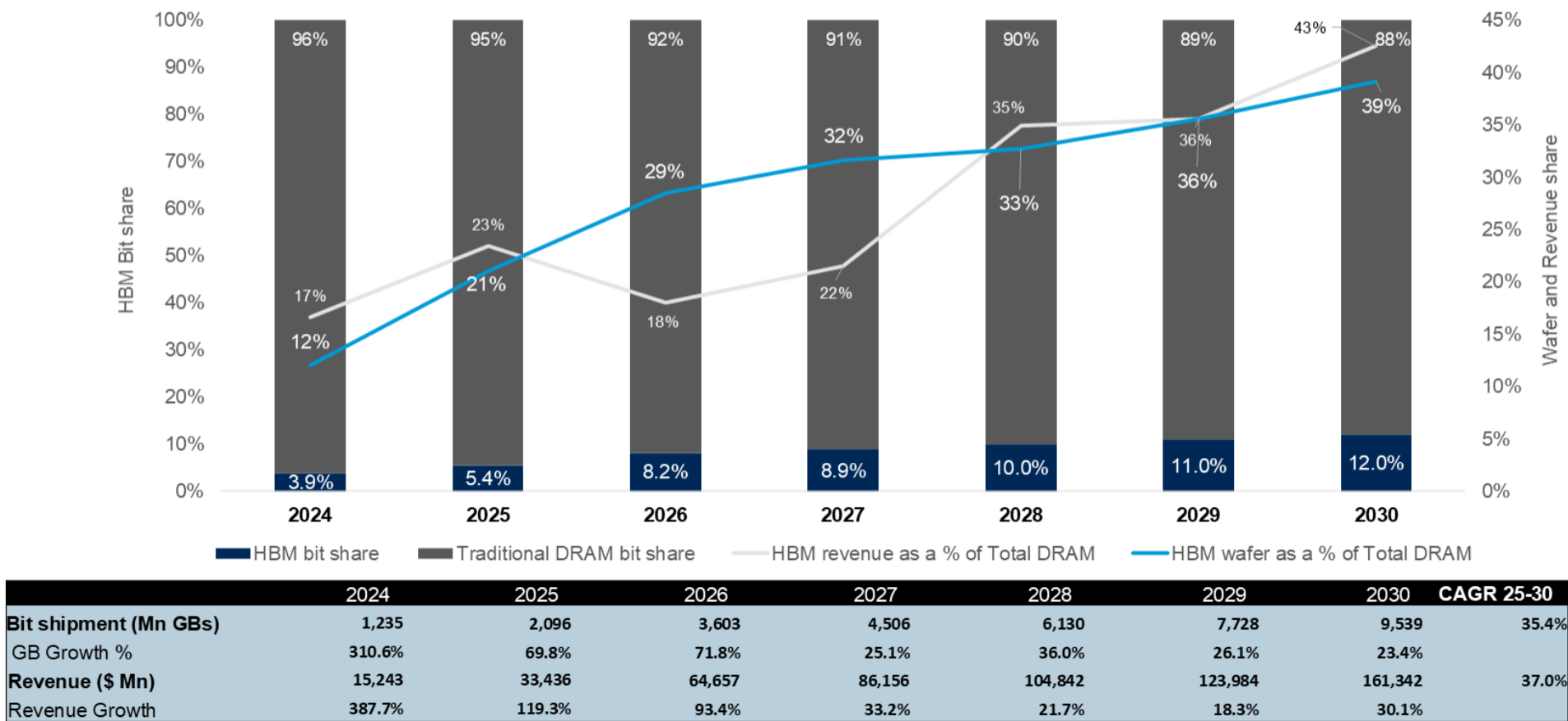
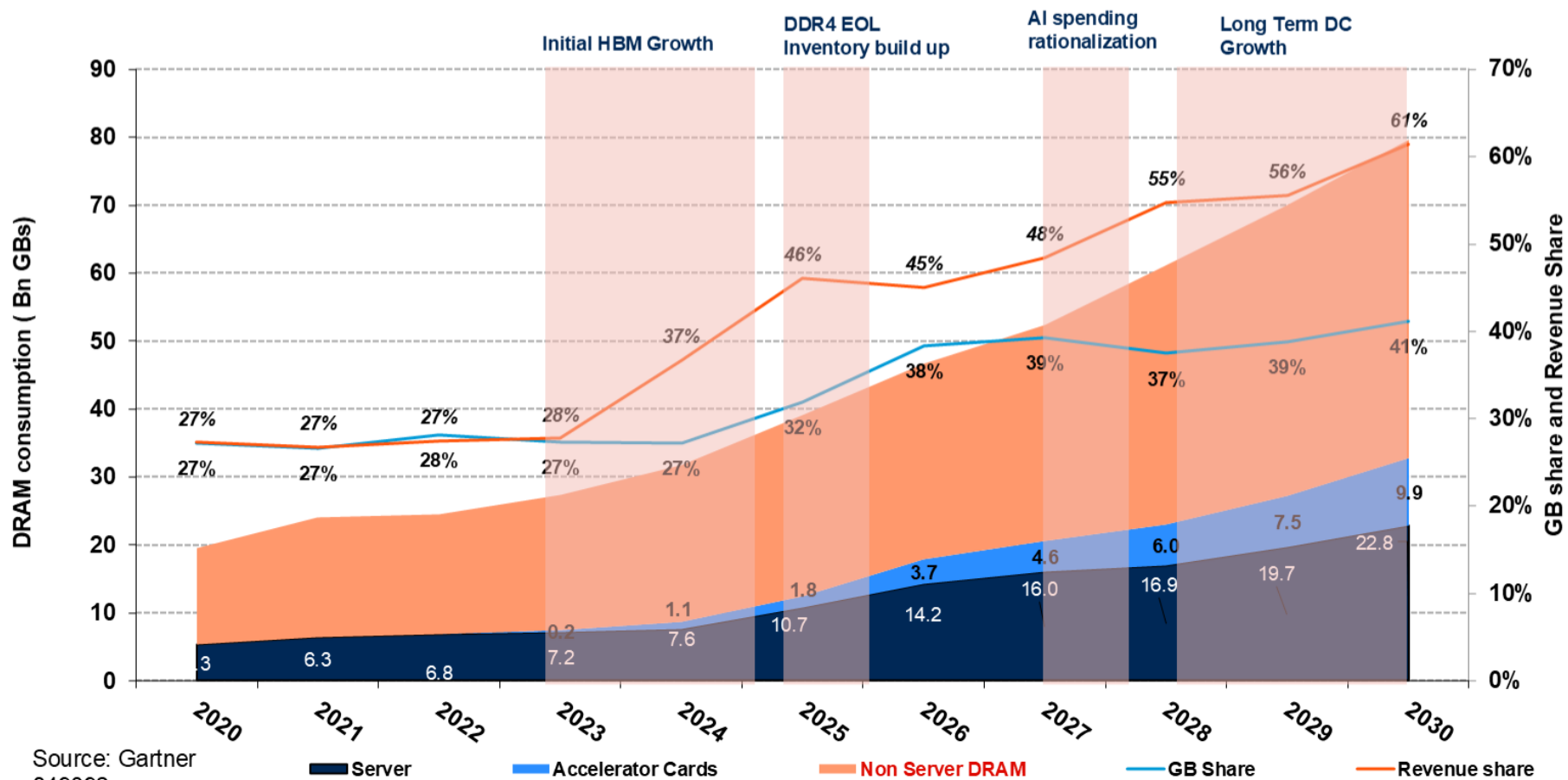


Figure 3: AI Server Demand Drives DRAM Prices and Profitability

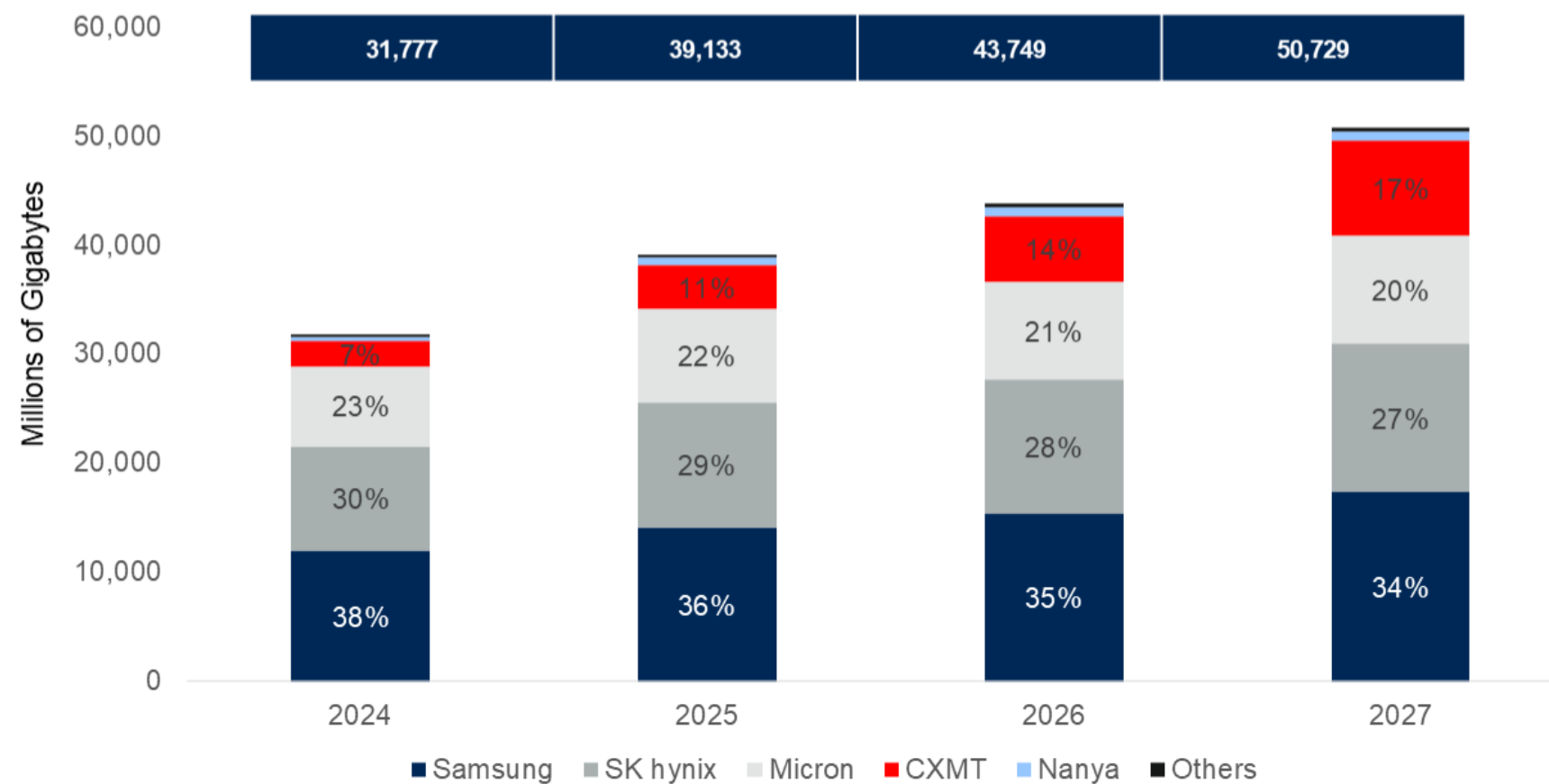
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Source: Gartner
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Figure 4: Increasing Supply From China Suppliers

Increasing Supply For China Suppliers



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