



# Reimagining Work – Agentic AI and Process Automation

NAREC Conference

November 4, 2025

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# Meet the Presenter

## CohnReznick's Paul Ricci



### Paul Ricci, CPA

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Paul Ricci is a partner in CohnReznick's Digital Advisory group. Over the last two decades, Paul has advised some of the largest companies in the U.S. and abroad on business strategy, major business transformation, process optimization, analytics enablement, systems implementations, integrations, and conversions.

Paul focuses on business transformation, technology and data strategy, design and enablement, organizational entity and chart of accounts design, FP&A, financial reporting, business intelligence, data management, system selection, change management, ERP implementations and upgrades, and data conversions and integrations.

Over the last ten years at CohnReznick, Paul has held various leadership positions, including running the Strategy, Technology and Transformation groups. Prior to joining CohnReznick, Paul led technology advisory teams at NOI Strategies, a boutique real estate consultancy, and at GL Associates (now SNP), where he focused on building business value and reducing risk through innovation, digital transformation, and enterprise technology enablement. He started his career at Deloitte as an audit professional where he earned his CPA.

# Presentation Overview

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- 1 How is AI defined?**
- 2 How can AI assist with existing tools?**
- 3 How can AI assist with recurring tasks?**
- 4 What are some examples of real estate-specific AI tools?**
- 5 How will AI affect the real estate industry?**



# About CohnReznick

## CohnReznick Facts & Figures



**Leading**

Advisory, assurance, and tax  
firm in the United States



**30**

U.S. offices



**5,000+**

Employees



**\$1 Billion**

More than **\$1 billion**  
in annual revenue



**120 countries**

International reach via  
Nexia International in  
**more than 120 countries**

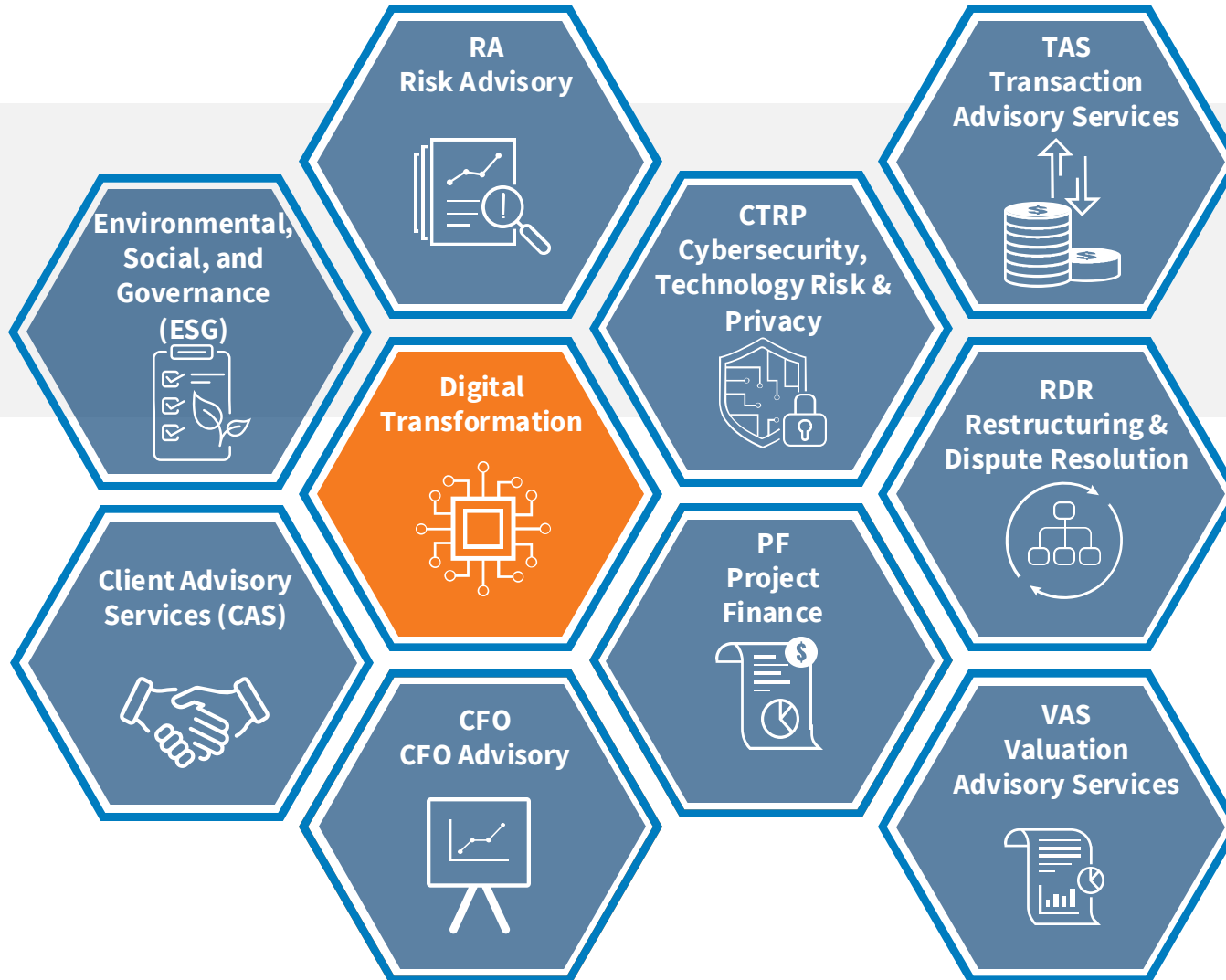


**350+**

Approximately  
**350+ Partners/principals**

# CohnReznick Advisory Services

## Digital Transformation



## CohnReznick Advisory

CohnReznick's Advisory practice houses industry-specific expertise across all service lines. Our resources drive long-term value creation and align strategy, operations, technology, and people.

We have delivered projects focused on data and analytics, smart building strategy, custom software development, and workforce enablement.

# Expertise throughout global real estate ecosystem

Unique in our dedication to the real estate industry – and built out during the firm’s 100+ years of existence – our broad range of services and client base includes many diverse property types and organization structures.



## Commercial

- Healthcare
- Data Centers
- Hospitality
- Office
- Industrial
- Retail



## Residential

- Affordable housing
- Senior housing
- Homebuilders
- Student housing
- Multifamily
- Single family



## Development & construction

- Commercial construction
- Land development
- Infrastructure
- Master planned communities



## Owner/operators

- Building/property managers
- Building/property owners
- Family-owned real estate



## Investors

- Institutional Investors
- Insurance
- LPs
- Opportunity funds
- Pension funds
- Private equity



## Asset services

- Energy management
- Facility management
- Fund servicing
- Property management



## Corporate

- Government
- Healthcare
- Office occupiers
- Retail uses
- Utilities

# CohnReznick Real Estate Advisory

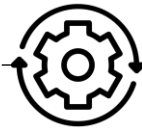
## Real Estate Advisory Service Offerings

Empowering clients to unlock their full potential through innovative enterprise applications, advanced data analytics, process evolution, and digital strategies.



### Strategy & Operations

- Digital Maturity Assessments
- PCMO
- Enterprise Data Assessments
- Process Mining/Mapping
- Enterprise Architecture
- IT Due Diligence
- M&A Post-Close Strategic Operating Models
- Digital Operating Models
- IT & Departmental Operating Models



- Current State Assessment
- Organizational Capabilities Assessment
- Best Practices and KPIs
- Dashboards & Reporting
- Future State Design and Roadmap
- Shared Service Center Assessment, Design, and Set-Up
- Target Operating Model
- Post-Integration Business Model
- Integration Plan and Change Management



### Transformation



### Enterprise Applications

- Business Process Optimization and Industry Expertise
- Enterprise Resource Planning Applications
- Corporate Performance Management
- Planning, Budgeting and Forecasting Applications
- Customer Relationship Management
- Business Process Automation
- Chart of Accounts Design and Conversion
- System Integration Services



- CFO Close Automation
- Treasury Management
- Sustainability & ESG Reporting
- Shop Floor Automation
- Vertical Industry Solutions
- Manufacturing 4.0
- IoT and Digital Twins
- Backoffice Automation



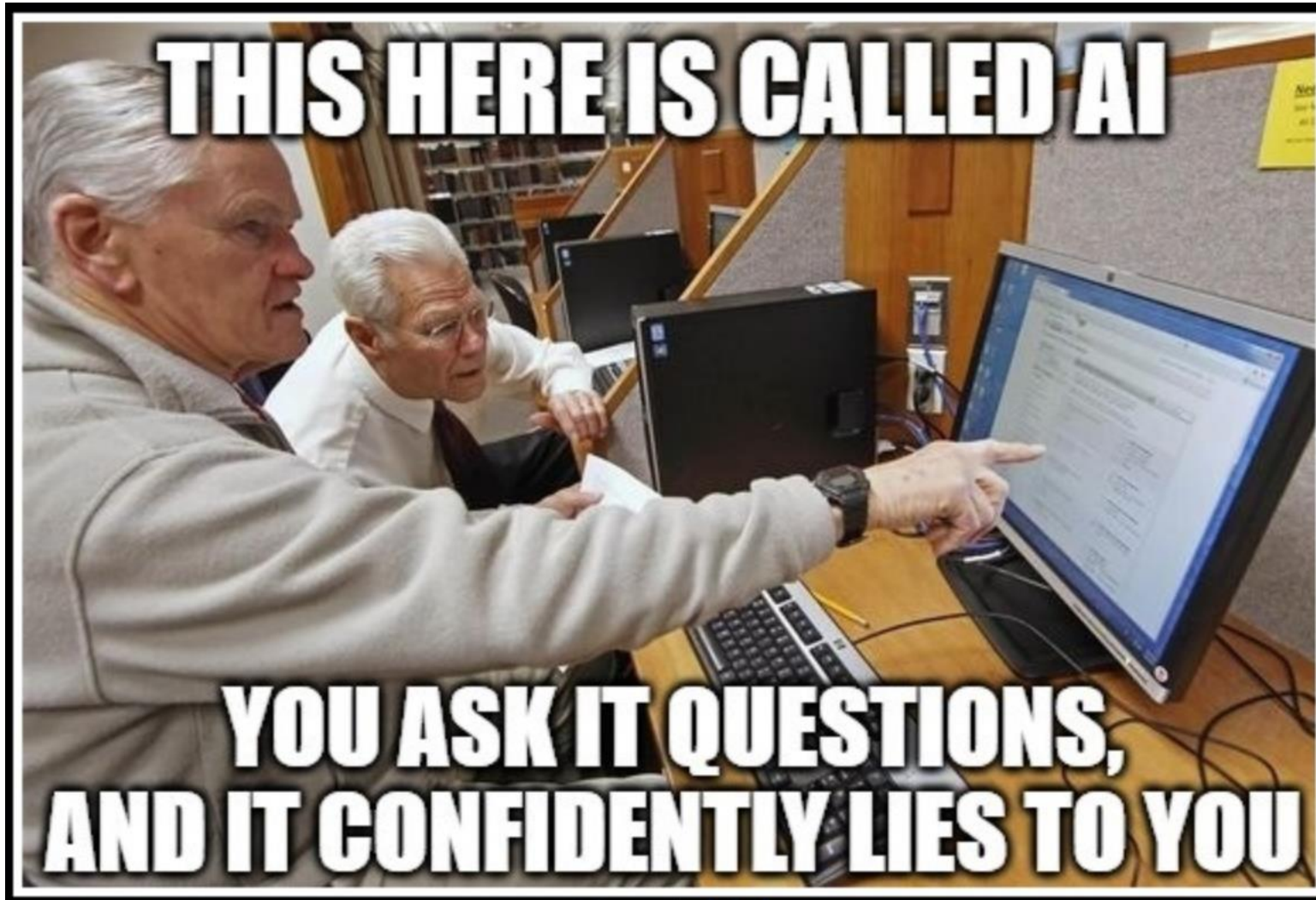
### Digital Industry Solutions



# How is AI defined?

## How is AI defined?

# Defining Artificial Intelligence



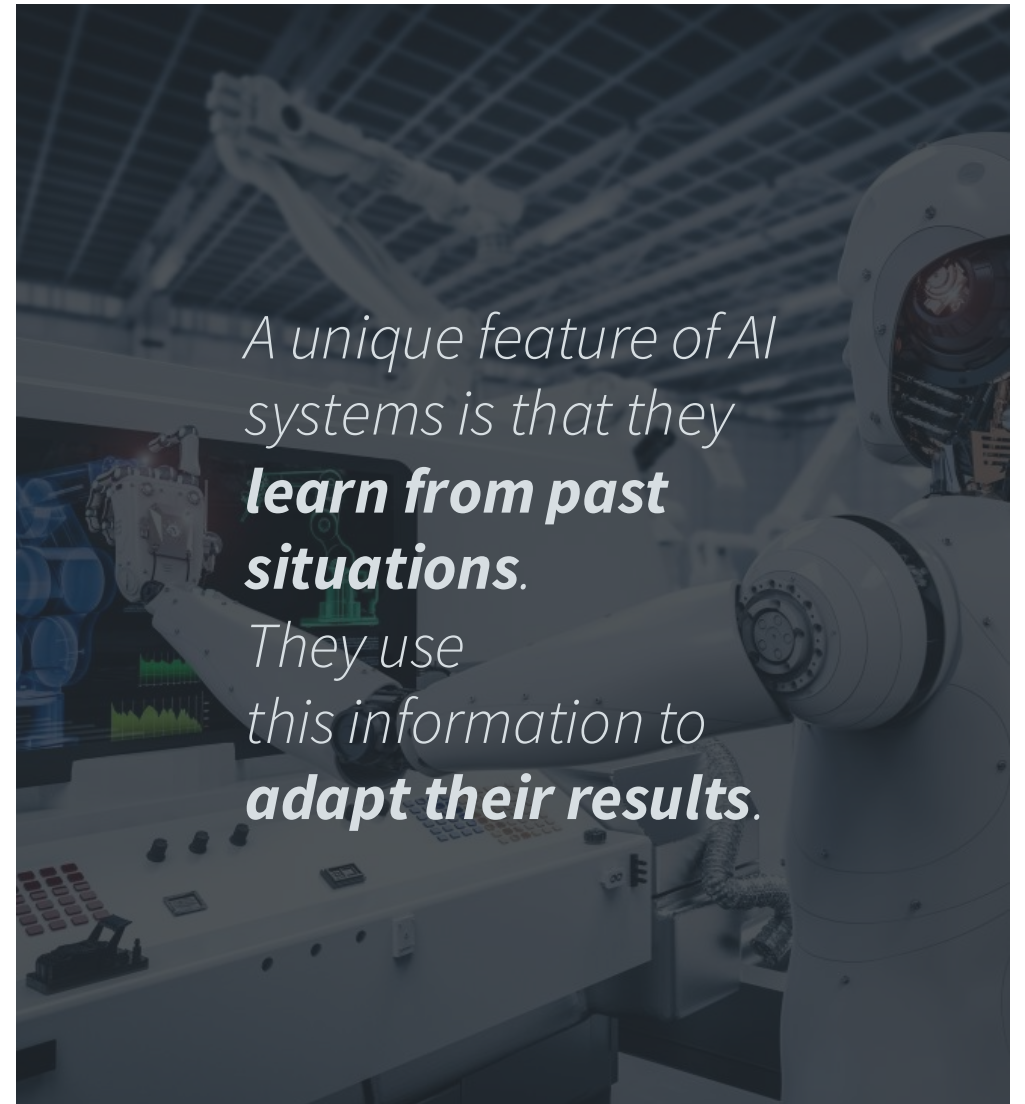
## How is AI defined?

# Defining Artificial Intelligence

Artificial intelligence (AI) is a machine's ability to **mimic human action** and imitate logical thinking, learning, planning, and creativity.

AI systems can perceive and analyze their environment to **solve problems independently**.

*Today, AI is not autonomous; it is viewed as Augmented Intelligence*

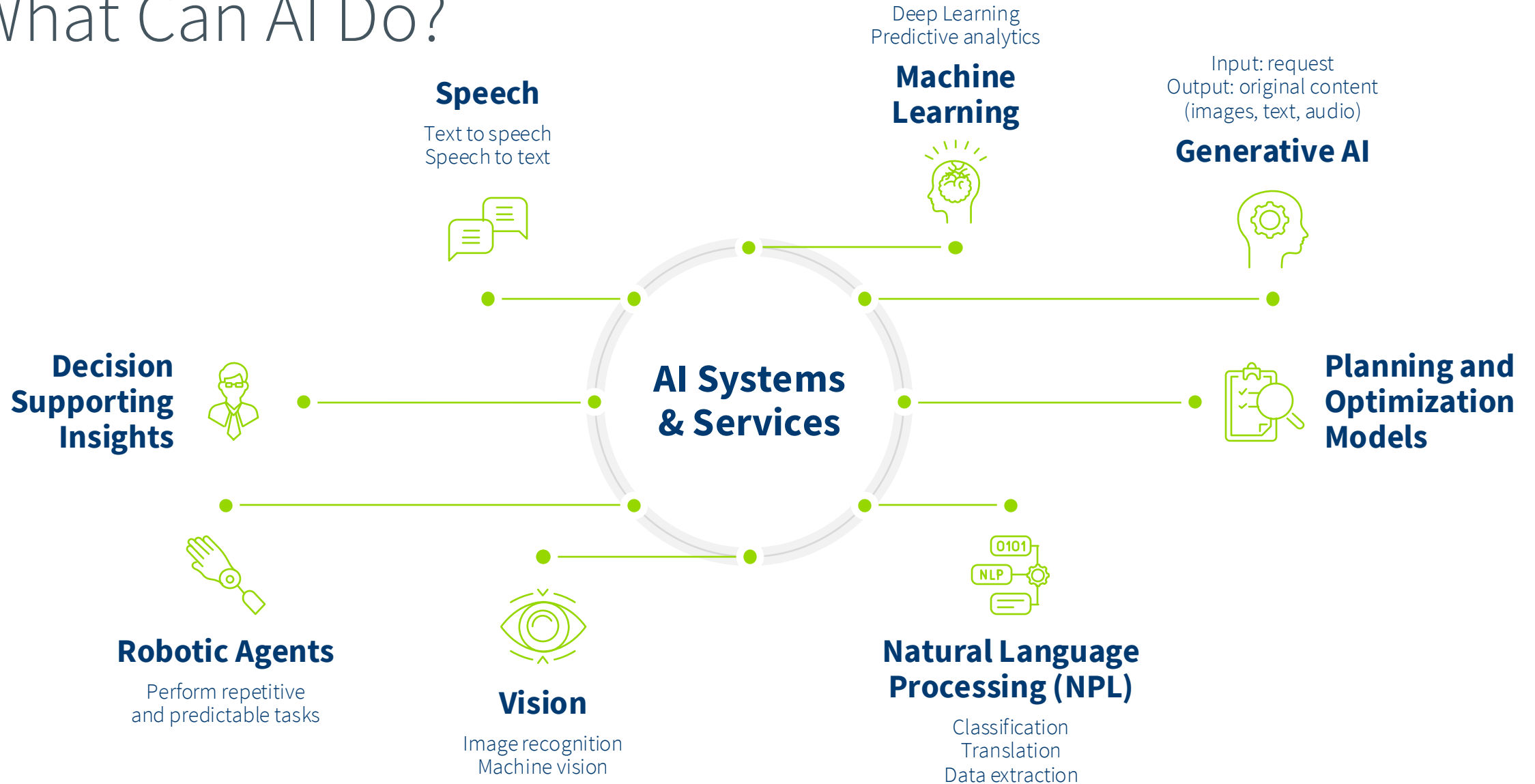


*A unique feature of AI systems is that they **learn from past situations.***

*They use this information to **adapt their results.***

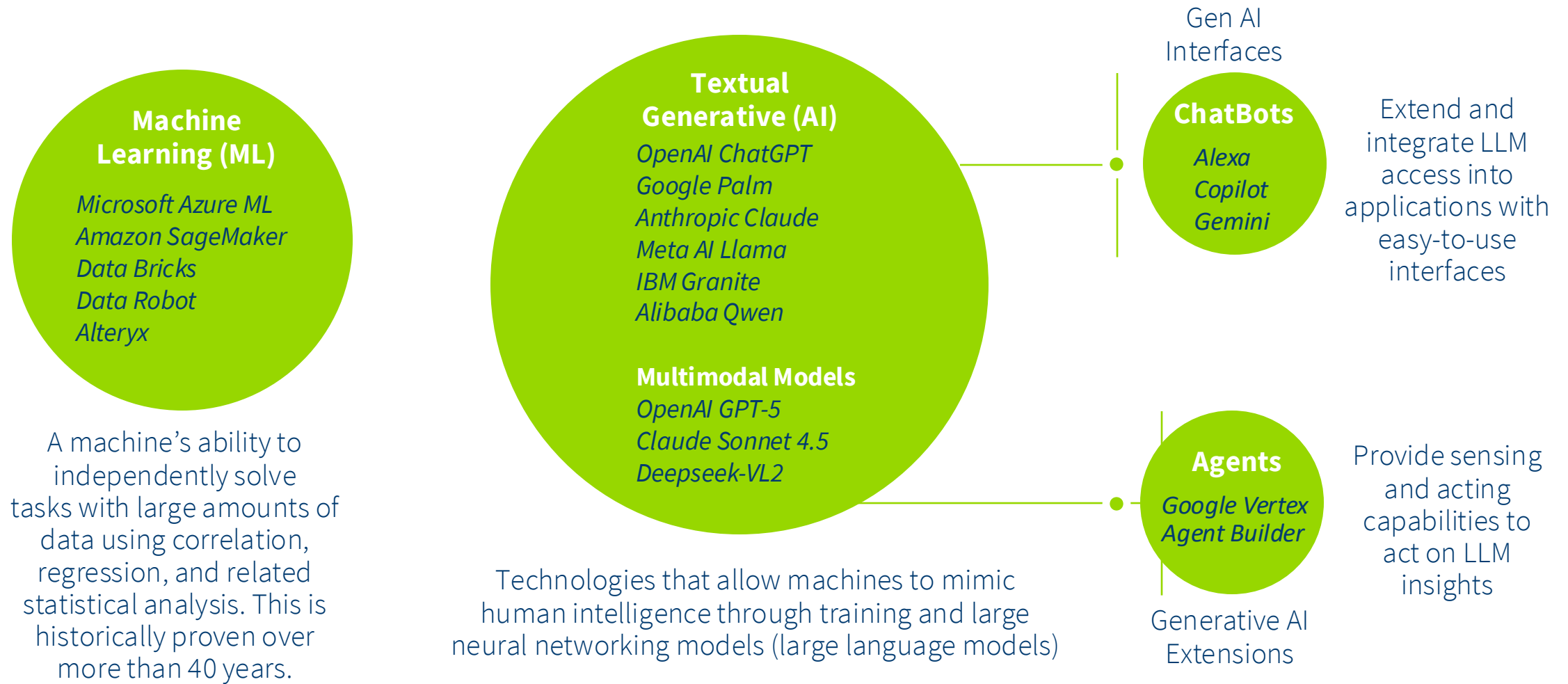
# How is AI defined?

## What Can AI Do?



# How is AI defined?

## AI Progression – Examples Across the AI Continuum



# How is AI defined?

## Types of AI Technologies



### Conversational AI

- Made possible by natural language processing (NLP)
- Drive personalized customer interactions and responses further than traditional chatbots
- Google Assistant, Amazon Alexa, Apple Siri



### Generative AI

- Produce high-quality illustrations, design renderings, written content, and research
- Leverages large language models (LLM)
- ChatGPT, Salesforce's Einstein GPT, DALL-E 3, Yellow.ai, Microsoft CoPilot



### Low Code AI/ML

- Allows companies to develop and deploy machine learning models with graphical interfaces that do not require extensive coding experience.
- Broader usability, faster development, simple maintenance and infrastructure
- Amazon Comprehend (NLP) & SageMaker, Apple's Create ML, Google's AutoML



### Agentic AI

- Plans, executes, and adapts tasks with minimal intervention.
- Chains reasoning steps, uses tools, and manages workflows, making it ideal for complex business processes.
- Complements Low-Code AI by automating operational tasks and connecting disparate systems.

## How is AI defined?

# Deep Dive: Agentic AI

**Plans, reasons, and acts autonomously, executing multi-step tasks beyond simple prompts and content creation.**

Key capabilities:

- Task execution
- Context awareness
- Collaboration with humans and other agents

What's new

- Platforms: AWS Agent Builder, Google Cloud Agents, IBM watsonx.ai.
- Enterprise use for fraud detection, contract negotiation, autonomous checkout.
- Multi-agent architectures, RPA integration, and governance frameworks.

## Why agentic AI matters



**Efficiency & ROI:** Automates complex workflows



**Strategic Impact:** Enables new operating models and hyper-personalization.



**Competitive Advantage:** Moves beyond incremental improvements to net-new capabilities.

# How is AI defined?

## AI in the News

### Headline

### Summary

#### **Big Four Now Using Agentic AI to Boost Staff Productivity**

*NYSSCPA, 2025*

Deloitte, EY, PwC, and KPMG are deploying agentic AI tools to automate tax compliance and complex financial tasks. These AI agents aim to enhance productivity without replacing staff, signaling a major shift toward autonomous AI in professional services.

#### **OpenAI says newest AI model can ‘think with images’**

*CNBC, 2025*

OpenAI’s o3 and o4-mini models integrate image understanding into reasoning workflows, enabling analysis of sketches and diagrams. These models combine text, image, and tool use for multi-step problem-solving, marking a major leap in multimodal AI capabilities.

#### **New Report: AI Ushers in a New Era for Industrial Real Estate**

*NAIOPPO, 2025*

Generative AI is revolutionizing industrial real estate, driving efficiencies in site selection, building design, and warehouse automation. The report highlights AI’s role in robotics, layout optimization, and infrastructure planning, signaling a major shift toward intelligent, self-optimizing facilities.

#### **AI in Real Estate: Innovations Reshaping the Real Estate Sector**

*Morgan Stanley Research, 2025*

AI is transforming real estate operations, enabling automation of 37% of tasks and unlocking \$34 billion in efficiency gains by 2030. Applications include virtual assistants, valuation models, and staffing optimization. Companies report higher customer satisfaction and productivity.

## How is AI defined?

# Process Automation with RPA + AI

**Knowing when to apply each helps organizations optimize operations, reduce costs, and unlock strategic innovation**

### Artificial Intelligence (AI)

Software that learns from examples to classify, predict, recommend, or generate content. It's probabilistic: results improve with more data and feedback.

### Robotic Process Automation (RPA)

Software “robots” that execute predefined steps (clicks, keystrokes, API calls) across applications. It's deterministic: if-this-then-that.

### Intelligent Automation (IA)

Combines AI and RPA within processes that require aspects of both technologies to perform efficiently (e.g., predictive machine maintenance, virtual assistants, employee onboarding)

## How is AI defined?

# Process Automation with RPA + AI

	AI	RPA
Best for	Judgment, patterns, language & documents	Repetition, rules, structured tasks, explicit instructions, decision trees
Logic	Pattern-based / Probabilistic	Rule-based
Inputs	Historical data, text, emails, images audio, videos, logs	Structured data, CSV files, web forms, databases
Triggers	Pattern recognition, threshold, context, behavior	Time based, event based, User action based, system based
Output	Predictions, classifications, drafted content	Executed transactions / updates
Controls focus	Bias / accuracy, drift monitoring, privacy	Exception handling, change management



# How can AI capabilities in existing tools be leveraged?

# How can AI capabilities in existing tools be leveraged?

## AI Embedded in Core Everyday Tools

**AI is not necessarily only a future investment; it's already embedded in common tools being used today.**



AI is increasingly integrated into existing real estate platforms; as a result, there is no need for massive new system overhauls to begin using AI.



Many common systems (e.g., Yardi, AppFolio, MRI, Sage Intacct) are expanding AI-driven features



The opportunity lies in adoption and optimization, not necessarily new purchases

# How can AI capabilities in existing tools be leveraged?

## Example: Yardi AI (Virtuoso)

1

### Native AI

- **AI across product suite**
- **Virtuoso support window**
- **Report builder/analyzer**

Increase user effectiveness  
within products

2

### Connectors

- **Faster time to insights**
- **Secure access to data**
- **Utilizing Anthropic/Claude**

Connect Yardi context  
to the AI tools you use

3

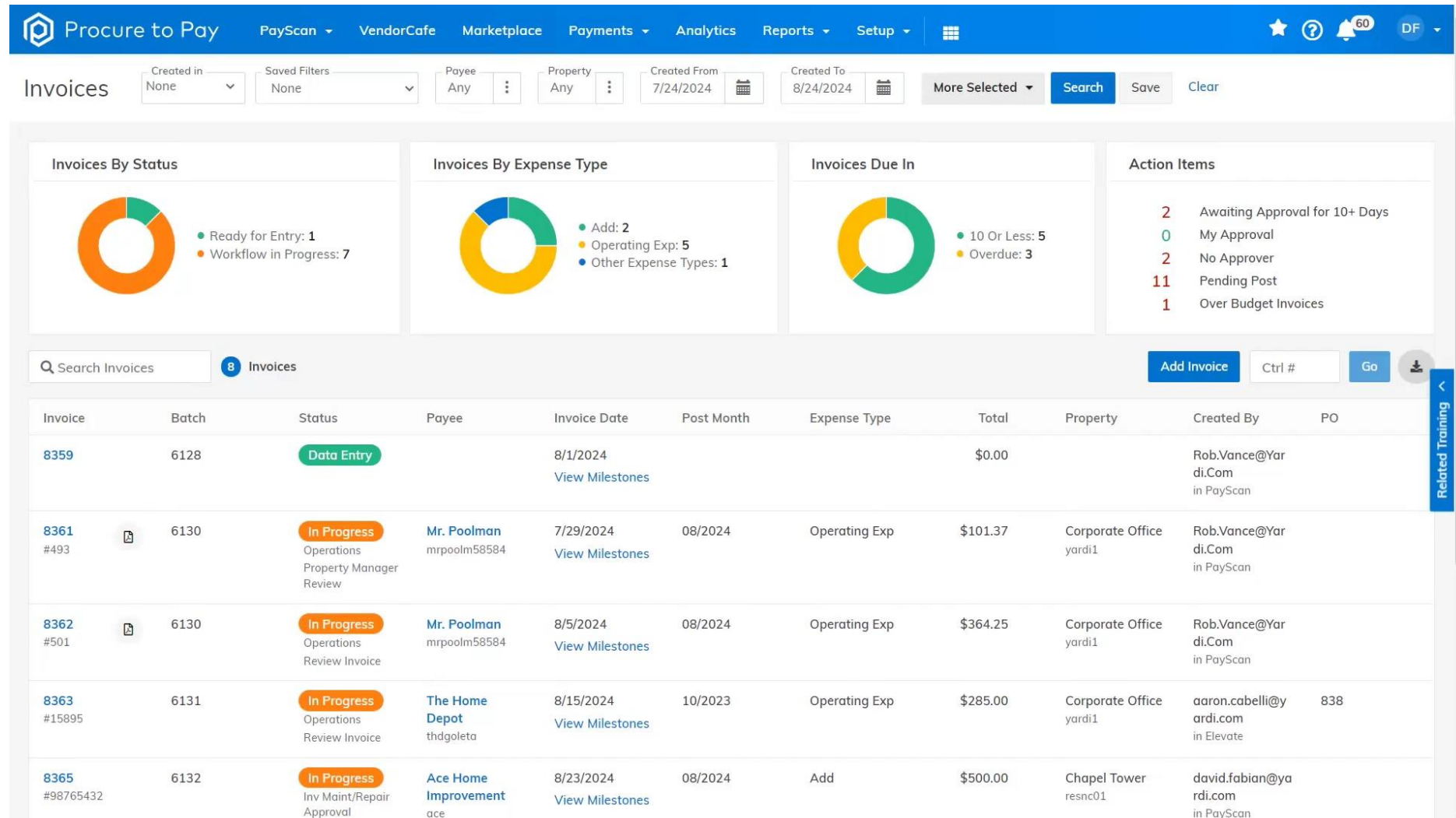
### Agents

- **Starter agents by role**
- **Virtuoso Marketplace**
- **Real-time or background**

Offload manual tasks within  
a workflow to AI agents

# How can AI capabilities in existing tools be leveraged?

## Example: Yardi AI (Virtuoso) – Smart AP Overview



# How can AI capabilities in existing tools be leveraged?

## AI in ERP

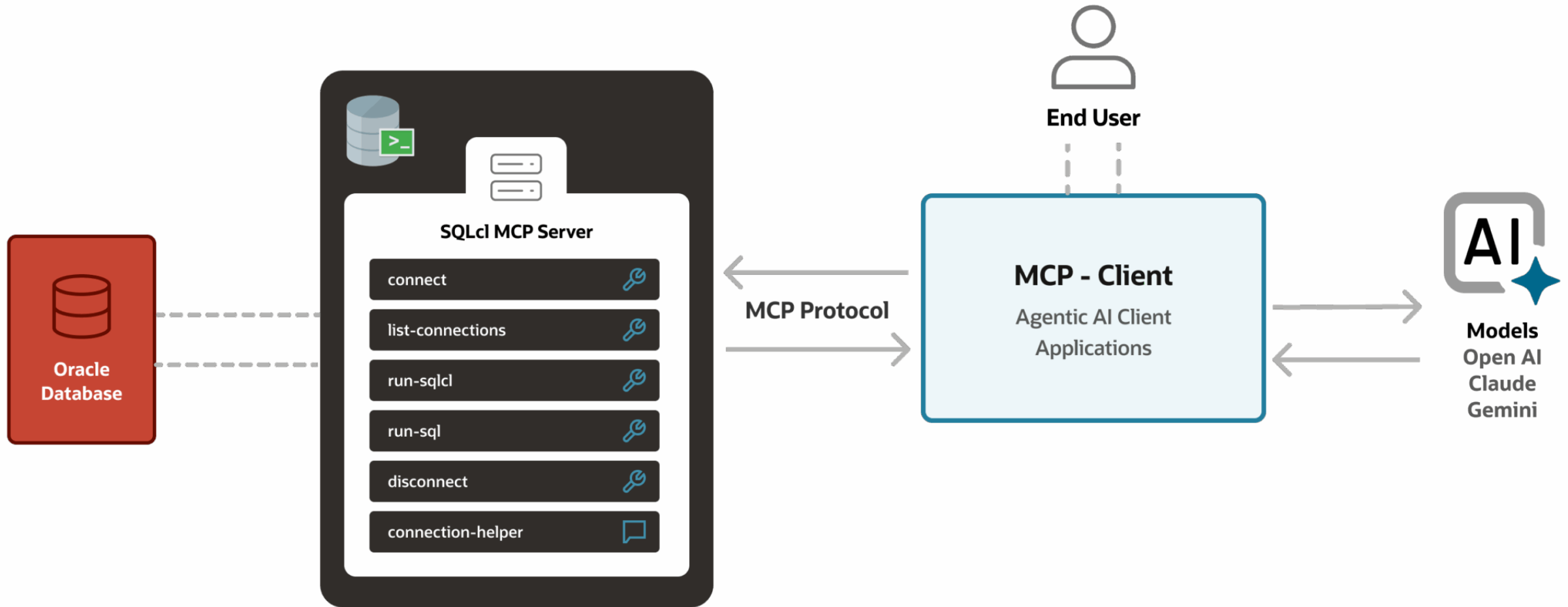
**In the ERP space we will look at MCP – or model context protocol. This open standard was introduced in late 2024.**

### Key Features of MCP

- **Standardized Integration:** AI models can access databases, APIs, files, and tools without custom code for each integration.
- **Real-Time Data Access:** Enables models to fetch live, contextually relevant data.
- **Secure & Scalable:** Designed for enterprise-grade security and performance.
- **Multi-Modal Support:** Works with various communication protocols like STDIO, WebSockets, and Server-Sent Events.

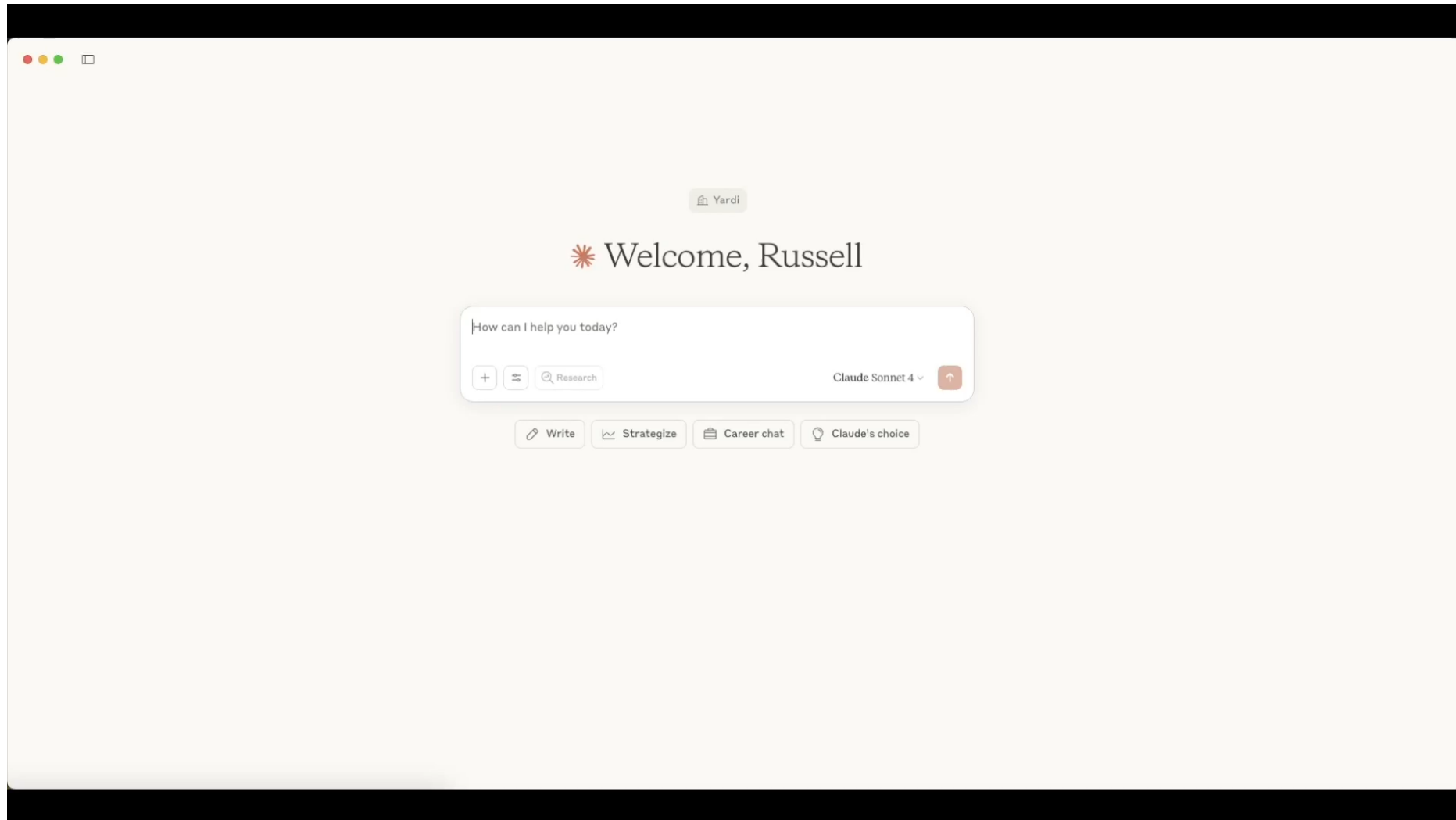
# How can AI capabilities in existing tools be leveraged?

## MCP Visualized



# How can AI capabilities in existing tools be leveraged?

## Example: Yardi AI (Virtuoso) – Connectors



# How can AI capabilities in existing tools be leveraged?

## Example: Yardi AI (Virtuoso) – Connectors

The image shows a split-screen interface. The left side is a text-based report generated by AI, titled "Real Estate Portfolio Performance Analysis". It includes a "Work Order Performance" summary, a "Phase 5: Strategic Intelligence & Recommendations" section with "Immediate Action Items" (Revenue Optimization, Risk Monitoring, Vendor Management) and "Strategic Opportunities" (Market Positioning, Technology Integration, Tenant Retention). It also lists "Long-term Strategic Focus" points and a concluding paragraph. The right side is a "Quarterly Business Review" dashboard for Q3 2025, featuring a "Portfolio Overview" tab and several key metrics: Portfolio Value (\$125M, +5.2%), Net Operating Income (\$12.5M, +8.1%), Occupancy Rate (98.5%, +1.2%), and Avg. Rent/SF (\$28.50, +3.5%). A "Portfolio Composition" section shows 695 total and active properties.

Real Estate Portfolio Performance Analysis

- **Work Order Performance:** Streamlined processes with good resolution rates

**Phase 5: Strategic Intelligence & Recommendations**

**Immediate Action Items:**

1. **Revenue Optimization:** Expand beyond current utility charges to include parking, storage, and other ancillary services
2. **Risk Monitoring:** While current risk is low, establish systematic monitoring protocols
3. **Vendor Management:** Review vendor performance to identify cost savings opportunities

**Strategic Opportunities:**

1. **Market Positioning:** With 98.5% occupancy, you're in a strong position to implement rent increases
2. **Technology Integration:** Consider implementing predictive maintenance to further reduce costs
3. **Tenant Retention:** Focus on value-added services to maintain high occupancy rates

**Long-term Strategic Focus:**

- Leverage your strong operational performance to expand ancillary revenue streams
- Consider implementing tiered service offerings for premium tenants
- Develop data-driven tenant risk scoring for proactive management

The interactive dashboard above provides detailed visualizations and drill-down capabilities for each phase of analysis. Your portfolio demonstrates strong fundamentals with significant opportunities for revenue enhancement while maintaining operational excellence.

Would you like me to dive deeper into any specific area or create additional analytical reports for particular properties or metrics?

Claude can make mistakes. Please double-check responses.

Reply to Claude...

Research

Claude Sonnet 4

### Quarterly Business Review

Report Period: Q3 2025

Comprehensive Portfolio Analysis Dashboard

Portfolio Overview | Financial Performance | Risk Assessment | Operations

Strategic Insights

Portfolio Value	\$125M	+5.2%
Net Operating Income	\$12.5M	+8.1%
Occupancy Rate	98.5%	+1.2%
Avg. Rent/SF	\$28.50	+3.5%

Portfolio Composition

Total Properties	695
Active Properties	695

# How can AI capabilities in existing tools be leveraged? Example: Yardi AI (Virtuoso) – Agents

Role  
Specific  
Agents

YARDI CREATED STARTER  
AGENTS BY ROLE

Virtuoso  
Marketplace

COMMUNITY BUILT  
AGENT STORE

Virtuoso  
Composer

AGENT BUILDING  
TOOLS FOR CLIENTS

# How can AI capabilities in existing tools be leveraged?

## Example: Yardi AI (Virtuoso) – Role-Specific Agents

- Off the shelf Virtuoso Agents available to end users based on their Voyager 8 Role
- Agent support for Property Managers, Leasing, Maintenance & Accounting
- Designed to increase efficiency of end-users and reduce errors
- Available directly from Virtuoso – can be engaged directly or run in the background

The screenshot displays the Voyager 8 Agent Dashboard. The top navigation bar includes 'Voyager 8', 'Home', 'Leasing', 'Campaigns', 'Residents', 'Reports', and 'More'. A search bar and 'Add New' button are also present. The dashboard is divided into several sections:

- Agents:** A table showing 'Applicants (25)' and 'Residents (19)'. The table has columns for 'Property', 'Agent', 'Desired Move In Date', and 'Source'.

Property	Agent	Desired Move In Date	Source
Cityview Towers	house	Move-In: Sep 10, 2025 Preferences: Any	Google Organic
Cityview Towers	Call Center	Move-In: Sep 26, 2025 Preferences: Any	Google Organic
Cityview Towers	Chat IQ	Move-In: Sep 20, 2025 Preferences: Any	Community Referral First Contact Contact Reason: Request Details; B
- Calendar:** A calendar view for August 24-27. It shows events for 'Show' and 'Guided Tour' with agent names and times.
- Yardi Virtuoso Chat:** A floating chat window with the text: 'Great to see you Russell! How can we help?'. It includes options to 'Send us a message', 'Search for help', 'Register for Training Webinars', and 'Aspire Training Content'. Navigation buttons for 'Home', 'Help', and 'Messages' are at the bottom.

# How can AI capabilities in existing tools be leveraged?

## Example: Yardi AI (Virtuoso) - Marketplace

The screenshot displays the Yardi AI (Virtuoso) dashboard. At the top, there is a navigation bar with links for 'Dashboard', 'How It Works', 'Marketplace Agents', 'My Agents', and 'Composer'. The user 'Aaron C.' is logged in. The main content area features a 'Welcome back, Aaron' message with a sub-header 'Manage and monitor your AI agents'. Below this are four key metrics cards: 'Total Agents' (94, Active in your company), 'Approved' (20, Ready for production), 'Total Executions' (0, All-time agent runs), and 'Today's Runs' (0, Executions today). A 'Browse Agents' button and a '+ Create Agent' button are also visible. The 'Your Recent Agents' section lists four agents: 'Get COA' (Development, Chart of Accounts, Created 8/22/2025), 'Investment Manager Contact Activity Analyzer' (Development, Analyzes contact communications to identify engagement patterns and recommend follow-up, Created 8/21/2025), 'Aspire - Past Due Auditor' (Development, temp, Created 8/21/2025), and 'RentCafe CRM Data Sync' (Development, RentCafe CRM Data Sync, Created 8/21/2025). The 'Execution Status' section shows a loading message 'Loading execution status...'. At the bottom, there are sections for 'Execution Activity (Last 24 Hours)' and 'Recent Executions'.

- Agent building platform and marketplace
- Close collaboration with Yardi's Independent Consulting Network
- Clients can also log in via Yardi One and build Proof of Concept agents in a low-risk way

## How can AI capabilities in existing tools be leveraged?

### Example: Yardi AI (Virtuoso) – Composer



- Low/No Code agent building platform that leverages best in class technology and tools
- Unprecedented flexibility – leverage Yardi product end points to allow AI agents access to the data in the Yardi stack
- If a user is licensed for the product, they get access to the end points
- Develop your agent flows with the latest models from Anthropic and OpenAI

**How can AI capabilities in existing tools be leveraged?**

Example: AppFolio AI (Realm)

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# How can AI capabilities in existing tools be leveraged?

## Example: MRI AI (Agora)

**MRI Agora Insights, which can be used for quick access to key insights to enable business decision-making**



### Predefined Dashboards

Solution-specific dashboards are available out of the box for immediate value.

### Self-Service Analytics

A single place to view cross-product analytics dashboards where users can independently tailor their reports. Includes a smart Q&A engine to ask, answer, and learn about the data.

### Insights Anywhere

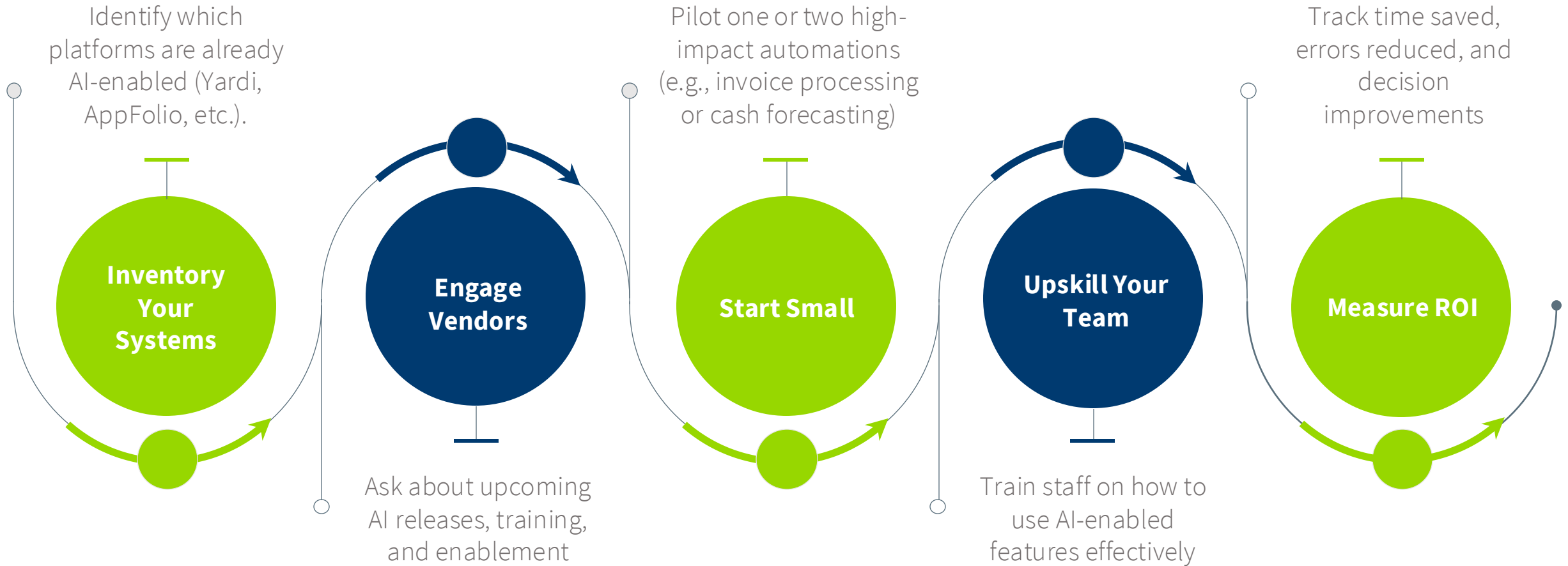
Solutions that give users a quick, tailored glance at actionable insights and make all your applications smarter.

### Enterprise Data Services

A singular Data Services layer consolidates all business data in one place, allowing for fast access and a unified experience with a holistic approach.

# How can AI capabilities in existing tools be leveraged?

## Steps to Leverage AI in Existing Tools





# How can AI assist with recurring tasks?

## How can AI assist with recurring tasks?

# Cash Flow Management

**The SAP AI Cash Application is an intelligent solution that leverages machine learning to streamline tasks in the cash flow process.**

## SAP AI Cash Application Solutions with AI

Tools like SAP Cash Management and Workday Adaptive Planning leverage AI to generate dynamic forecasts that update as new data comes in, instead of static monthly projections. They factor in real-time changes in revenue and expense patterns, so finance teams always see an up-to-date cash position – not last month’s snapshot. These systems pull live inputs from ERPs, banking feeds, and property management software.

## How can AI assist with recurring tasks?

# Financial Close

**MindBridge's Transaction Risk Anomaly Detection platform leverages AI and ML to analyze large volumes of financial transactions to flag anomalies and risks.**



Enhance your visibility into a specific analysis period

Tools like BlackLine and MindBridge can automatically reconcile transactions and flag unusual variances in financials during month-end close. AI continuously monitors accounts and identifies any balance changes outside of expected ranges. It assigns these anomalies for review and even drafts narrative explanations for significant fluctuations. By replacing manual reconciliations and spreadsheet-based checks, AI speeds up the close process and catches errors or outliers that might be overlooked, thereby improving accuracy and compliance.

## How can AI assist with recurring tasks?

# Copilot in Excel

**Microsoft's Copilot can automate the many ways businesses interact with their data in Excel to gain insights and plan operations**

A dark green rectangular graphic with the text "Agent Mode" in large white font and "in Excel" in smaller white font below it.

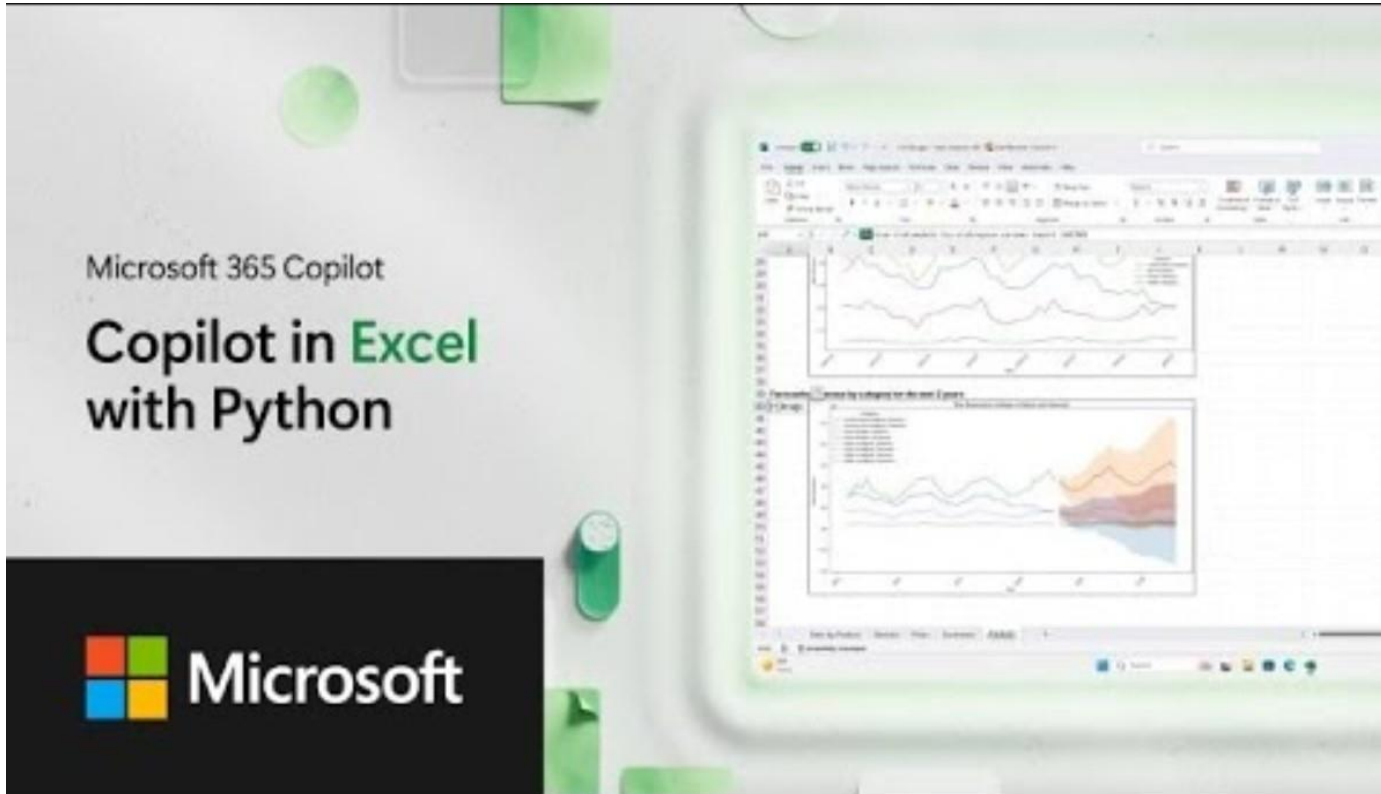
**Agent Mode**  
in Excel

Microsoft's AI assistant is now available in its widely used tool to help import data, organize workbooks, generate tables and formulas, create visualizations and dashboards. Copilot's AI agent can also leverage Python for more advanced analysis and forecasting.

# How can AI assist with recurring tasks?

## Budgeting and Forecasting

**Microsoft's Copilot can automate the many ways businesses interact with their data in Excel to gain insights and plan operations**

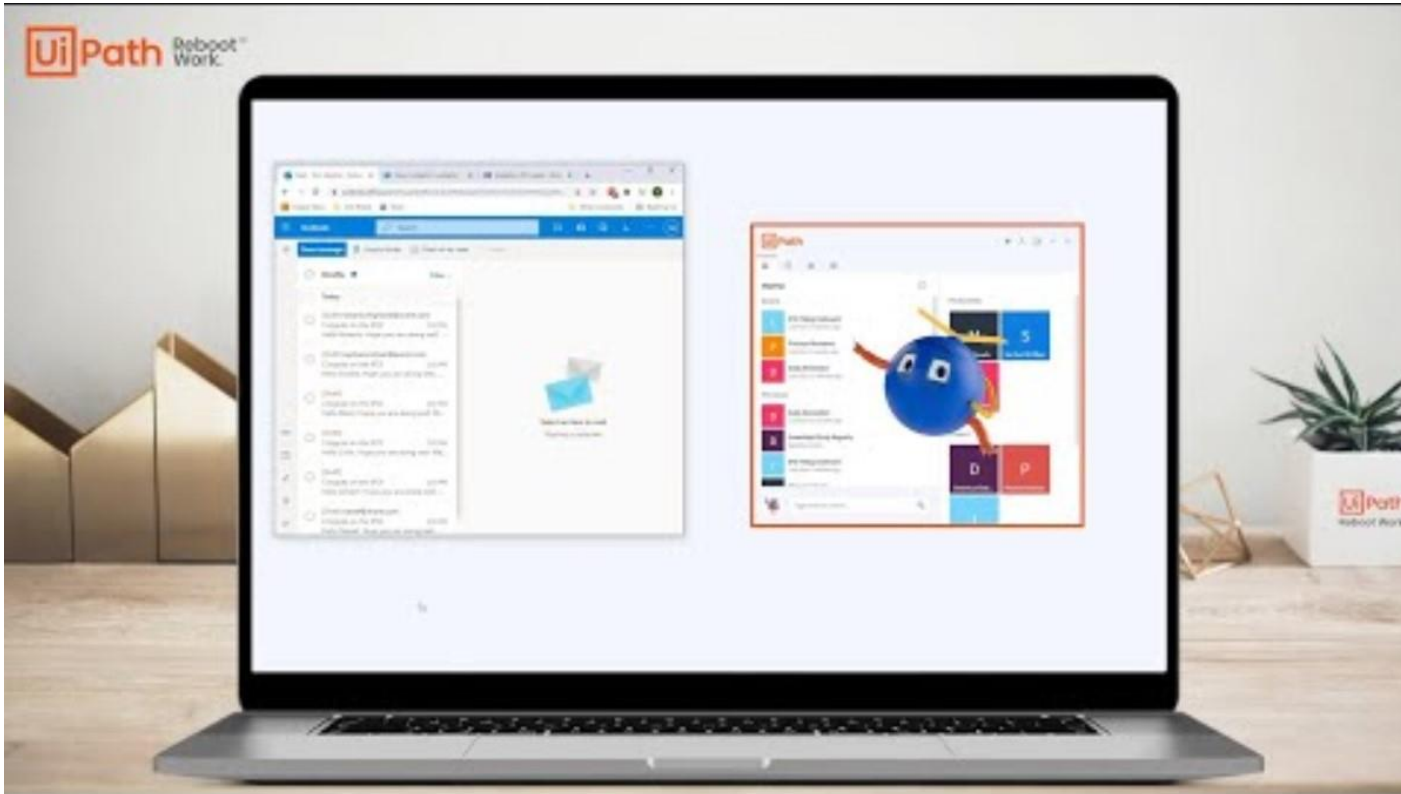


Tools like Microsoft 365 Copilot, Anaplan PlanIQ, Yardi Elevate, and OpenAI ChatGPT can create AI-driven forecasting models that analyze historical and live data to produce continuously updated budgets. This replaces static, manual spreadsheet roll-ups, improving accuracy and agility by automatically spotting patterns (like seasonal expense spikes) that human analysts might miss.

## How can AI assist with recurring tasks?

# Intelligent Automation (RPA + AI)

**UiPath bots can automate data extraction, analysis, and entry in workflows that are unsupervised or reactive to human actions**



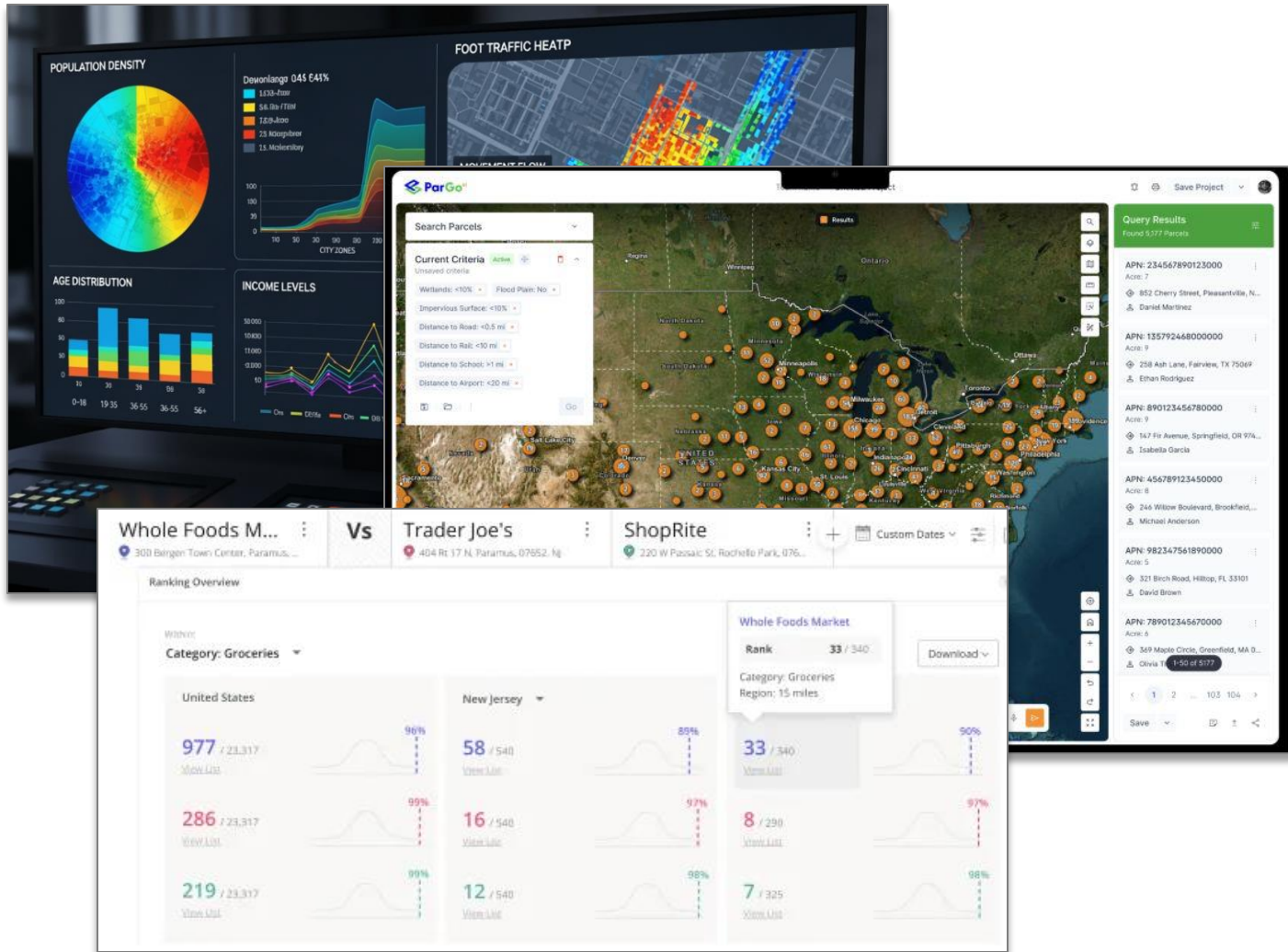
Tools such as UiPath and Automation Anywhere and BluePrism can create bots that automate repetitive tasks. They can also combine AI, RPA, and business process management to create bots that leverage AI capabilities to recognize patterns and unstructured data to make decisions. They excel in data extraction and entry, customer interactions, and other back-office processes.



**What are some examples of real estate-specific tools?**

# What are some examples of real estate-specific tools?

## Site Selection



Tools like Placer.ai, SiteScouter, ParGo AI, etc. can be used for:

**Data Ingestion & Geospatial Filtering:** Ingesting and filtering large multi-source datasets (zoning/land-use, utilities, environmental, transit, demographics) to eliminate unsuitable sites quickly

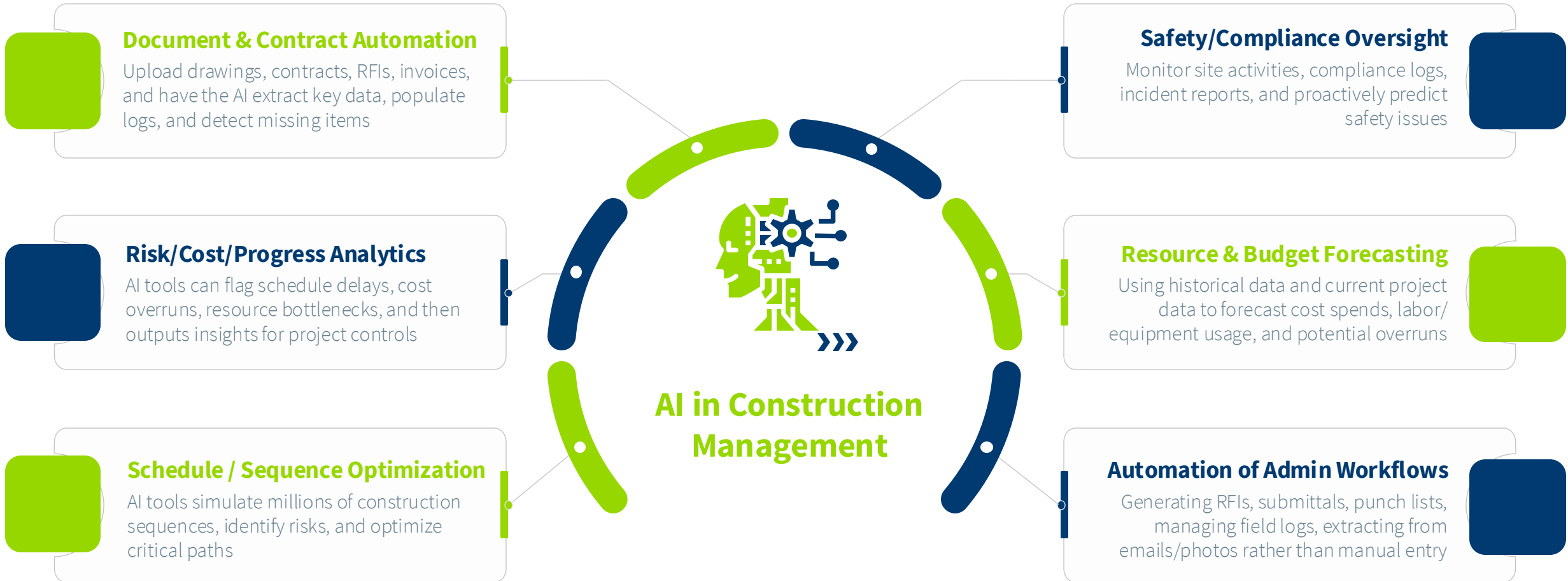
**Predictive Analytics:** “What-if” scenario modelling (e.g., value uplift, future market trends, risk assessment) to score candidate sites

**Workflow Acceleration & Decision Support:** Accelerates decision-making by turning weeks of manual research into minutes and visualizes complex geospatial layers for faster

**Risk Mitigation & Opportunity Detection:** Helps mitigate risk and identify hidden opportunities (e.g., off-market parcels, multi-parcel acquisitions, up-zoning potential) by analyzing patterns and constraints

# What are some examples of real estate-specific tools?

## Construction Management



## What are some examples of real estate-specific tools?

### Virtual Leasing Agents

**Tools such as EliseAI, AppFolio AI Leasing Assistant (Lisa), etc. are being used to automate interactions with prospects and tenants.**



These AI virtual leasing agents and assistants can handle tasks such as inbound inquiries, lead responses, scheduling tours/showings, leveraging generative AI features for marketing descriptions, and automating resident communications, renewals, maintenance triage, delinquency outreach, etc.

# What are some examples of real estate-specific tools?

## Valuation Tools

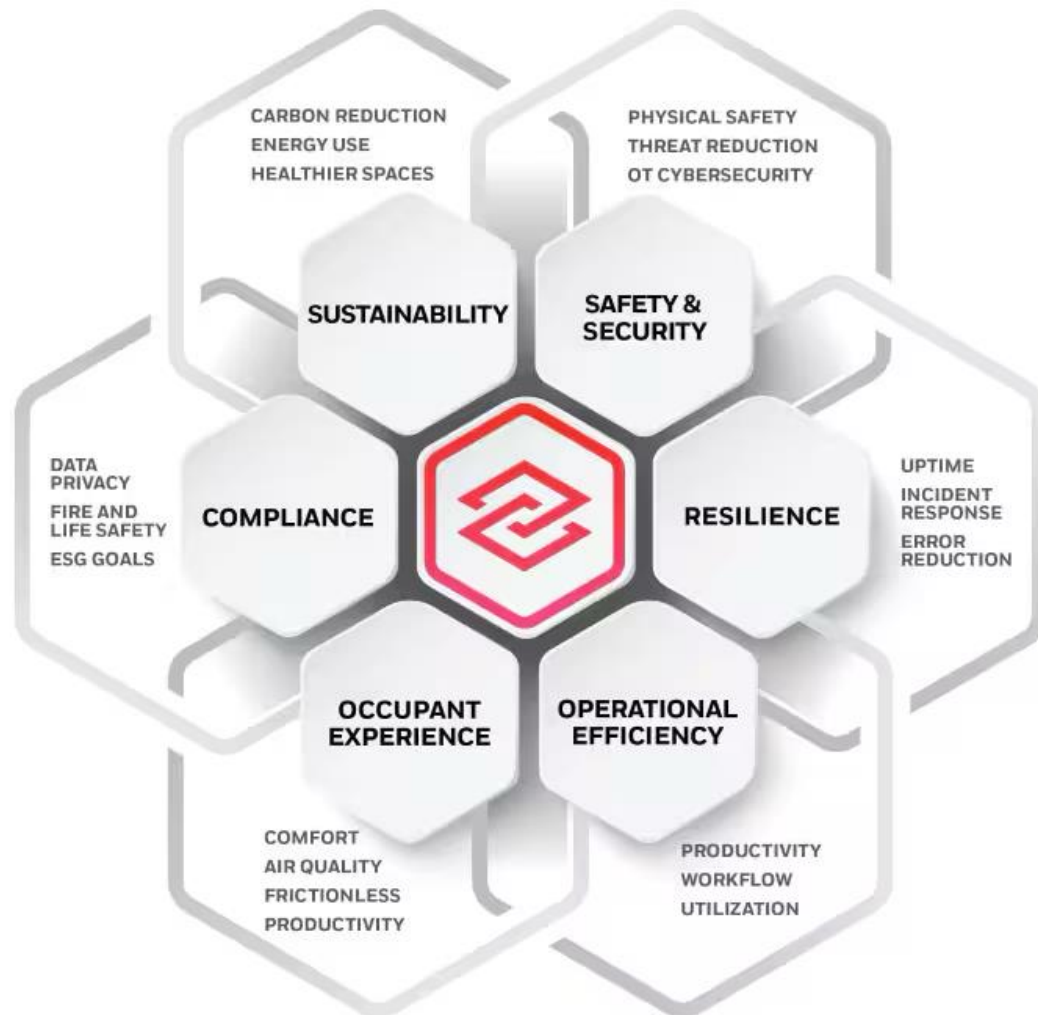
### Use Cases:

- **In-The-Moment Valuation:** Real-time or near-real-time valuations of assets or portfolios (rather than static annual appraisals)
- **Apples-to-Apples Comparisons:** Standardizing valuation logic across many assets to reduce manual adjustments and subjectivity
- **Scenario Modelling:** Dynamic valuations that can answer questions such as what happens if cap-rates shift, rents decline, or repositioning occurs
- **Using Data to Enhance Valuations:** Integrating many data sources (comps, market trends, property features, zoning, historical sales) and sometimes unstructured data (images, condition)
- **Integration with Other Processes:** Feed outputs directly into investment underwriting, portfolio value reporting, budgeting/forecasting, disposal/acquisition decisions
- **Risk Identification:** Flagging under- or over-valued assets, detecting markets where valuations may be stale or unreliable



# What are some examples of real estate-specific tools?

## Building Automation



Tools like Honeywell Forge, Spacewell, Eliona, Sensgreen, Verdigris Technologies, etc. can be used for:

**Energy and HVAC Optimization:** AI can be used to analyze sensor data (temperature, humidity, weather, occupancy, etc.) and dynamically adjust HVAC, lighting, and other systems to optimize consumption while maintaining comfort

**Predictive Maintenance / Equipment health:** AI models can detect anomalies in equipment behavior (chillers, pumps, fans, etc.) before failure, enabling planned maintenance and fewer emergency repairs

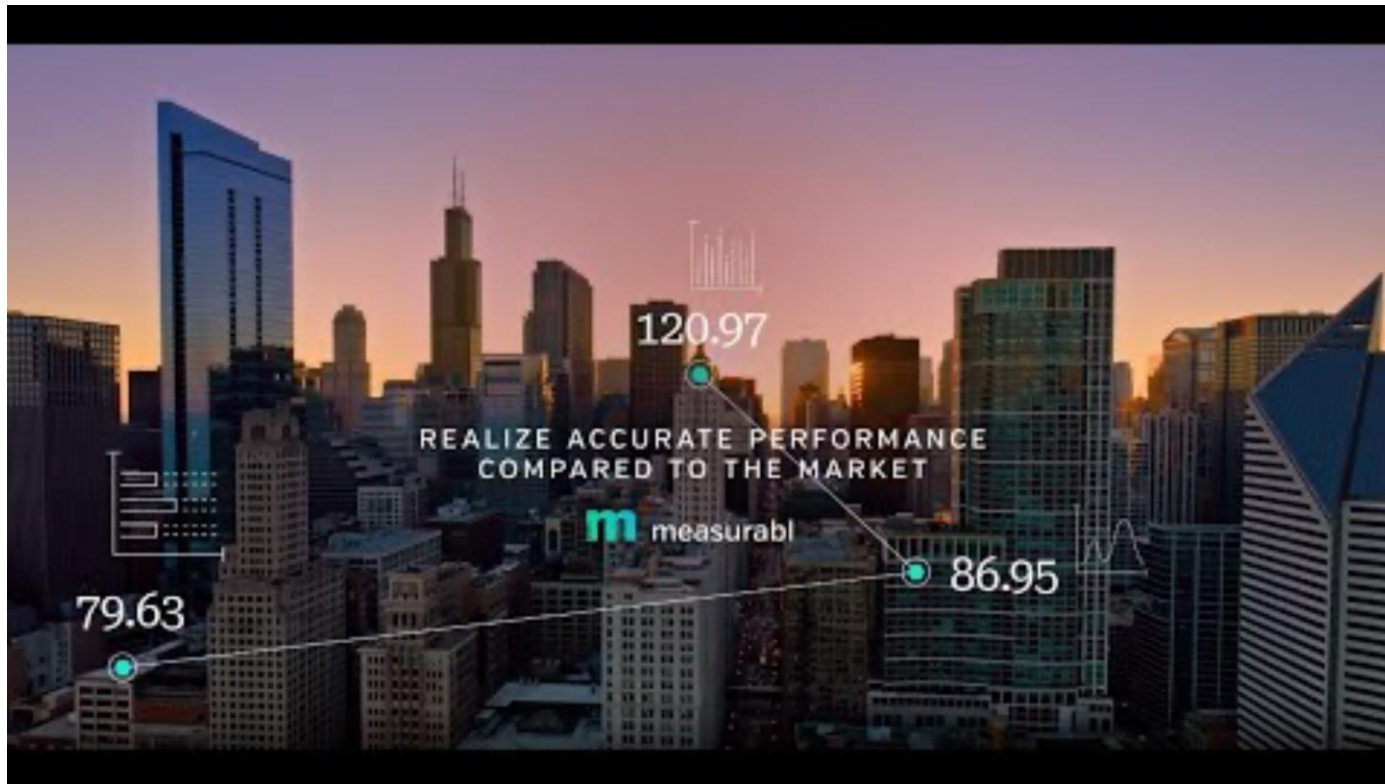
**Occupancy & Space-Utilization analytics:** IoT sensors combined with machine learning and AI can be used to predict and monitor how spaces are used (meeting rooms, desks, common areas, etc.) enabling more efficient space usage and lower costs

**Security / Safety Enhancements:** AI in smart buildings supports advanced video analytics (anomaly detection, facial recognition, unusual activity, etc.), access control, and improved emergency response to foster safer and more secure communities

# What are some examples of real estate-specific tools?

## ESG

**Tools such as Measurabl, BrainBox AI, etc. are being used to support Environmental, Social, and Governance goal achievement.**



These AI tools support ESG initiatives by optimizing energy use, reducing carbon emissions, automating ESG data collection and sustainability reporting, improving building performance, etc. These tools help owners and operators lower costs, enhance transparency, and meet regulatory and investor sustainability goals.



# How will AI affect the real estate industry?

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## Dangers of Overreliance on AI

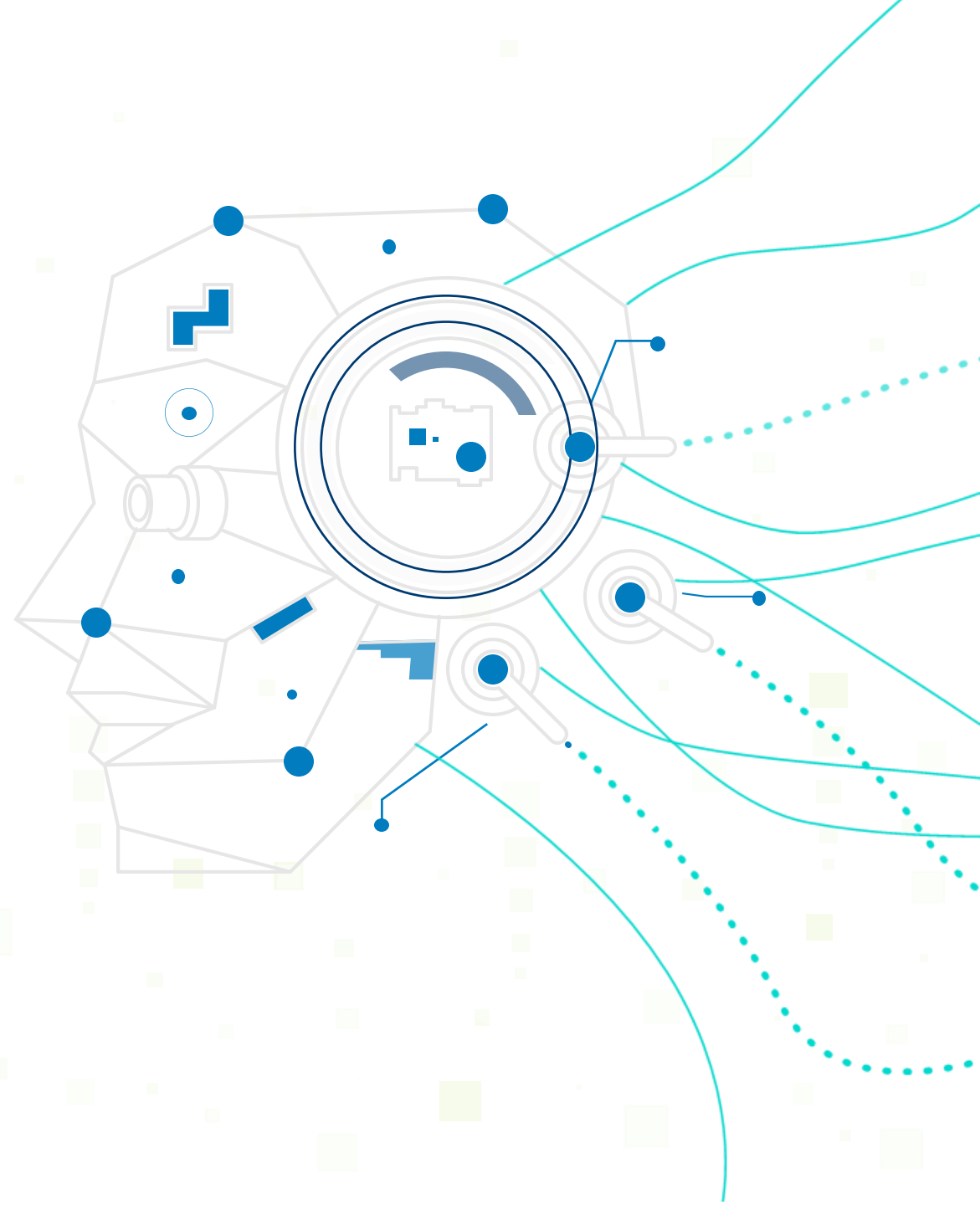
**Legal and Liability Risks:** Potential for copyright infringement, regulatory violations, or incorrect AI-generated outputs leading to financial or reputational harm.

**Security and Privacy Concerns:** Without stringent governance, there is risk of exposure of sensitive data through AI tools, weak data governance, or unauthorized data use

**Hallucinations and Bias:** AI may generate inaccurate information or reflect biases from training data, resulting in misleading decisions

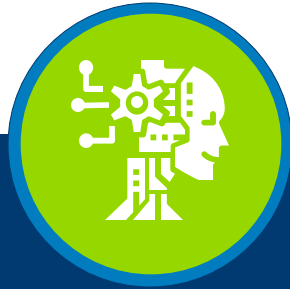
**Digital Sycophancy:** AI systems may over-agree with users' perspectives, reinforcing incorrect assumptions or poor decision-making

**Skill Erosion:** Over time, excessive dependence on AI can reduce human employee's critical thinking skills and domain expertise



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## Dangers of Overreliance on AI



- Reported AI failure incidents are rising with adoption, increasing 56% from 2023 to 2024
- 2024: Facewatch facial recognition system wrongly identified a UK woman as a shoplifter leading to her banishment and being publicly labeled as an offender
- 2025: MIT reports 95% of generative AI pilots failed to deliver return on investment citing strategy misalignment and skill gaps as key contributors



- 2025: ResumeBuilder reports that 6 in 10 managers surveyed reported using AI to help decide on promotions, raises, and firings
- 2025: Multiple incidents of lawyers citing fake court cases in filings led to scrutiny of AI usage in the law profession and sanctions on professionals who cited hallucinated cases from AI generated research



- 2024-2025: Chatbots provided harmful health advice, threatened users, advised users to break the law, and encouraged users to harm themselves in other publicized cases
- Incidents of chatbots making up policies like nonexistent refunds and being tricked into offering 99% discounts for products such as cars have also made headlines

# How will AI affect the real estate industry?

## Mitigating the Risks of AI

### Governance

- Establish governance structures including regular audits and monitoring of AI systems
- Address regulatory and ethical considerations
- Foster a strong culture by upskilling executive and back-office staff and establishing centers of excellence

### Data Foundations

- Reduce data silos and integrate systems to improve accessibility
- Ensure data is accurate, consistent, timely and overseen by a governance process

### Workflow Integration

- Focus on AI tools that integrate into existing systems and workflows such as highly repetitive back-office routines

### Buy Versus Build

- Partner with vendors and service providers to tailor AI systems to high ROI use cases



# How will AI affect the real estate industry?

## General Organizational Shifts Resulting from AI

### Digital Transformation

- AI growth is incentivizing more organizations to invest in digital transformation

### Customer Experience

- AI tools like chatbots are increasing the ways companies can engage their customers and tailor services and recommendations

### Governance

- Organizations are bolstering governance to mitigate risks associated with AI and stay in compliance with AI and data privacy regulations

### Evolving Workplaces

- Employees are broadening skillsets to include expertise such as prompt engineering and AI proficiency
- Human skills and emotional intelligence are growing in demand as technology transforms the task landscape
- Leaders are focusing on workplace culture to spur AI adoption inviting all functions and levels to participate in pilots and ideation



# How will AI affect the real estate industry?

## Real-Estate Specific Changes Resulting from AI



### Shift in Service Models

- Conversational agents, chatbots, virtual tours, AI-driven outreach to prospects and residents reduce dependence on human labor for initial touchpoints
- Tenant/resident experiences will become even more dependent on technology
- Tools can drive higher occupancy, faster renewals, lower delinquency and improved service metrics

### Staffing Models

- Firms will likely re-deploy human resources to higher-value and strategic roles
- New roles such as AI-knowledgeable analysts, data engineers, platform integrators, AI oversight and governance will emerge
- Traditional jobs (especially admin/office support roles) may shrink or change significantly