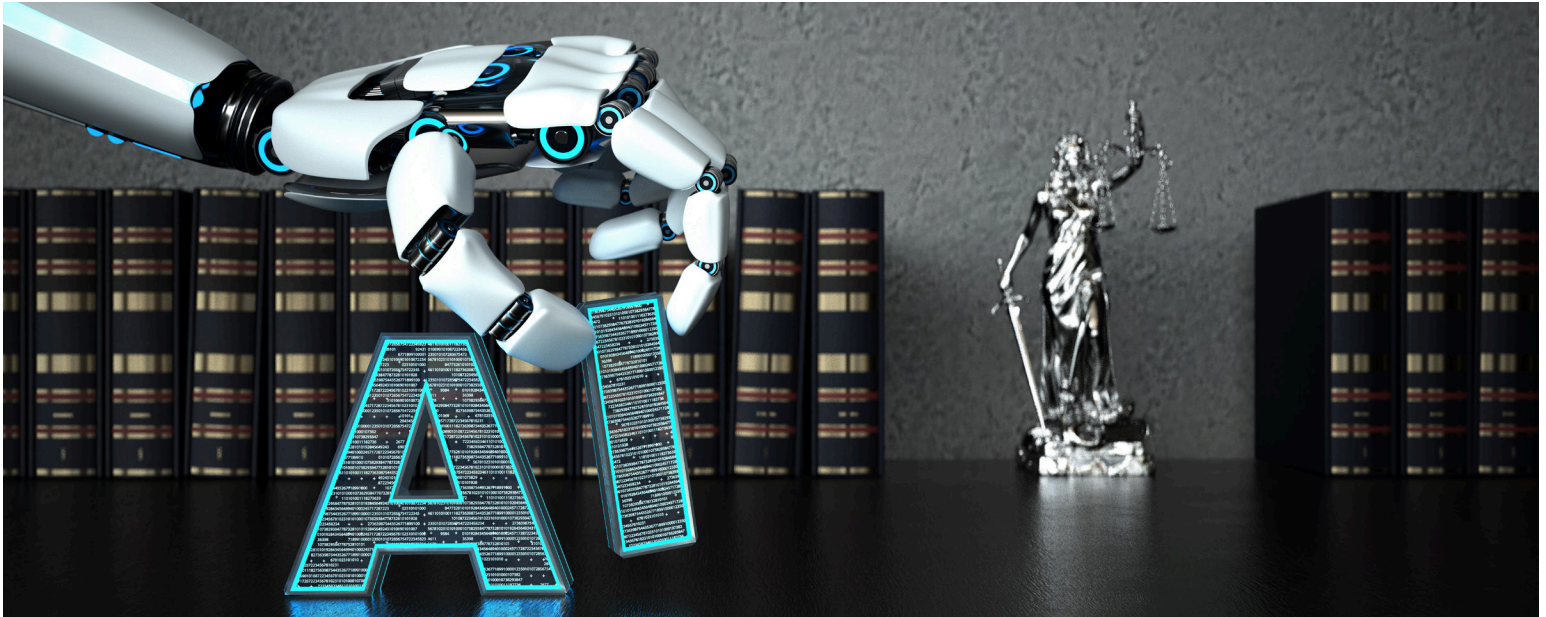


## AI in CRE: Beyond Smart and Towards Intelligence



Digital transformation as a concept incorporates advances in technology and how these are integrating into and changing all aspects of our work and personal lives. With commercial real estate (CRE), digital is truly transformational and CRE professionals and companies are grappling with the myriad ways that it is upending established processes.

### Understanding “Intelligence”

AI is essentially machines and computer systems simulating “thinking” – not just recording and storing information, but analyzing that info and responding to it. This is built on a base of machine learning too, in which machines are “taught” what to search for and what kind of responses are required.

A practical example is a machine that is “taught” to recognize an object using a (large) database of photos. Another common type is a chatbot, a little piece of software – that has “learned” to recognize what is being asked, and has a system for deciding what info to provide in response. Siri is AI-powered too. There are plenty of other examples and nuances, but those are typical examples that most people have encountered.

### Smart or Intelligent?

For context, a boiler that can be controlled remotely is “smart”. If that system dynamically controls itself, however, and produces insights into energy consumption correlated with use and weather patterns, then it’s crossed into AI territory.

According to Analytics Insight, AI has even been used to independently transact. Specifically, a “soon to market” algorithm that analyzed “large sums of data that included potential economic value, KPIs, property characteristics, and risk factors” selected and completed a property transaction, purchasing two buildings for \$26 million.

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### Customer Relationship Management (CRM) and Sales

The chatbot example mentioned above is one way in which AI can be used to manage and nurture your relationships with existing and potential clients. With both residential and commercial leasing, a chatbot is a great early engagement tool as it can answer simple questions and even make appointments for viewings or meetings.

Not all chatbots are created equally - some are more capable than others, so be sure you understand what you're buying before signing on the dotted line for implementation.

In the same vein, not all CRM packages have AI built into them, but as companies glean and store more customer info through their engagement with people, AI tools in CRM are expected to be more affordable and more mainstream. This includes things like lead qualification, credit memo creation, and sentiment analysis, where the system isn't just capturing information but transforming it into useful and actionable insights.

### Customer Relationship Management (CRM) and Sales

It is precisely this – insight – where we see AI really shine, and why so many companies are investing in forms of AI on-premises and via the cloud. For example, AI tools can turn mounds of data into performance analytics for your properties. Combined with market conditions data, this can go from deep understanding to lengthy foresight, through predictive analytics.

