AI Pulse Survey: Edition II

Application and Usage of Artificial Intelligence and Automation within CRE
Q2 2025

Ferguson Partners

Introduction

Ferguson Partners is pleased to present the results of the second AI Pulse Survey. This survey is the second of a series of surveys seeking to understand the application and evolution of AI and automation practices in the real assets industry.

METHODOLOGY

In late March Ferguson Partners distributed a survey questionnaire for the purpose of gathering relevant market data on AI & automation usage. Two dozen firms of varying size, strategy, and location participated in this edition of the survey. FP gathered the responses and analyzed the data to develop this summary report.

For the purposes of this survey, we categorize AI and automation together while recognizing their distinctions. **Automation** follows predefined rules to execute tasks with minimal human input, such as Robotic Process Automation and scripting manual processes. **AI**, while capable of driving automation, differs by learning, adapting, and making data-driven decisions. Examples include Machine Learning, Natural Language Processing, Predictive Analytics, and Generative AI.

We extend our sincere appreciation to all participating organizations for providing valuable information. If participants have questions they would like to see reflected in future AI surveys, please reach out. We'd love to hear from you.

Sincerely,

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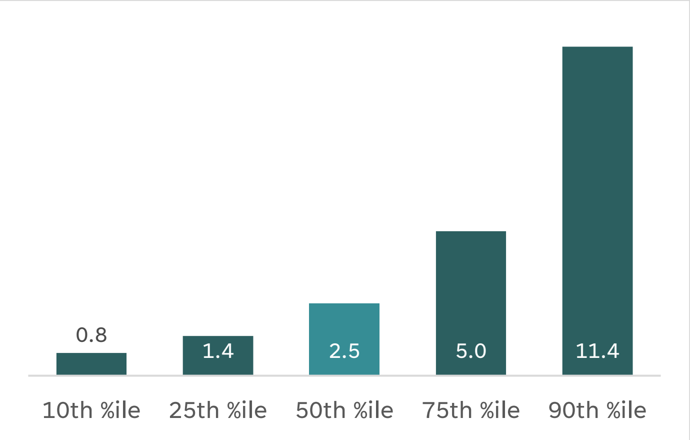
Investing in AI & automation

Technology spend and allocation to AI & automation vary, yet 88% of participants anticipate increasing investment over the next 12-24 months

TECHNOLOGY SPEND

How much does your organization spend on direct technology and related services[1] as a % of revenue?

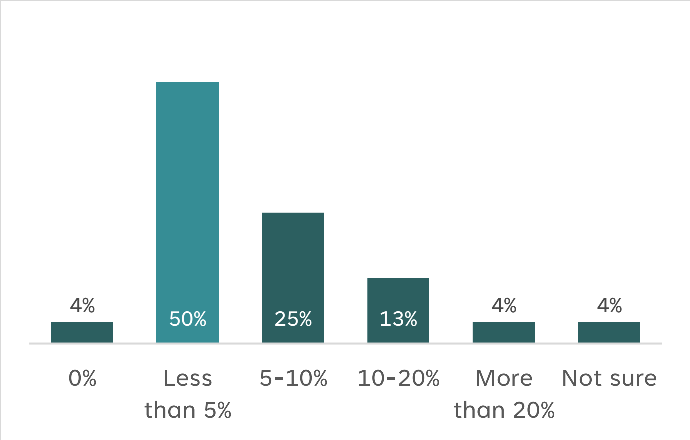


Participants spend a widely varied amount on direct technology and related services as a percentage of revenue. The median firm spends **2.5%** of revenue on direct technology and related services.

[1]Note that tech spends includes hardware, software and related costs only. Does not reflect spend related to IT personnel.

ALLOCATION TO AI & AUTOMATION

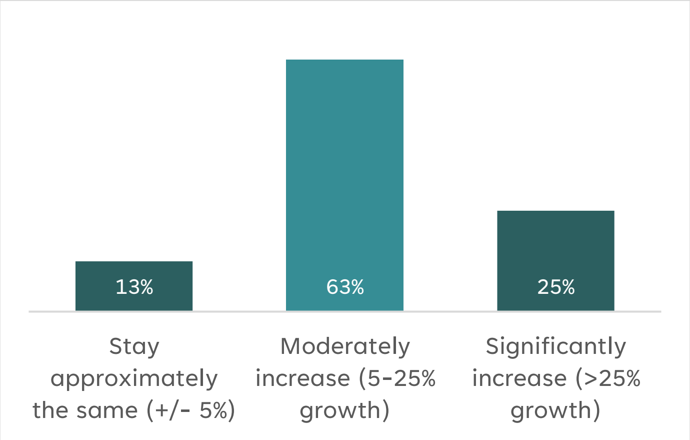
What percentage of your firm's technology budget is allocated toward AI & automation initiatives?



The majority (**50%**) of participants allocate less than 5% of their technology budget to AI & automation initiatives. **38%** of participants allocate between **5 – 20%** of their budget to AI & automation.

EXPECTED INVESTMENT CHANGE

How do you expect your firm's investment in AI & automation to change over the next 12-24 months?



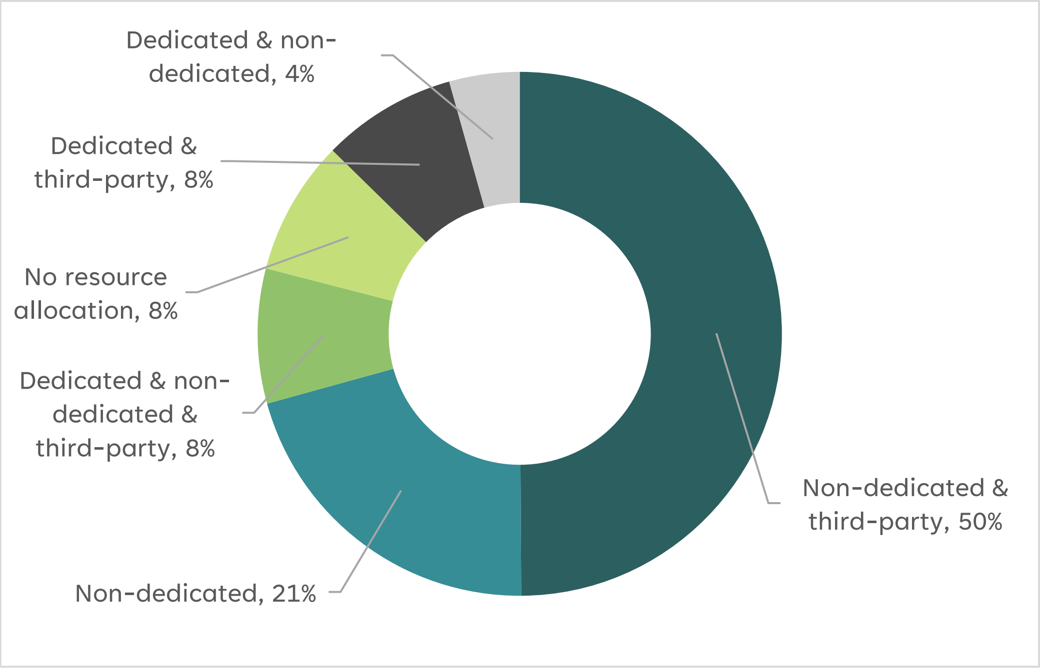
Most participants (**~88%**), expect to increase their AI and automation budget over the next two years. **A quarter** of participants expect to increase their investment by **25%** or more.

Resourcing of automation and AI initiatives

Usage of non-dedicated and third-party employees is the dominant approach, dedicated employees are less common

RESOURCING

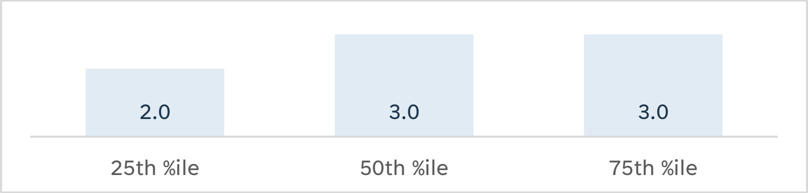
How does your firm resource automation and AI initiatives?



Survey results indicate participants rely on a variety of employee combinations to support AI and automation initiatives. The most commonly reported combination is non-dedicated (generalist) IT personnel in combination with outsourced, third-party resources (**50%**).

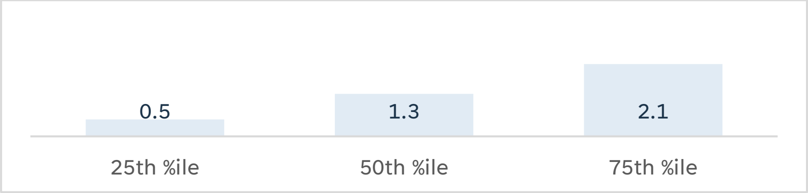
NUMBER OF DEDICATED IN-HOUSE EMPLOYEES

Firms that have in-house employees fully dedicated to AI & automation initiatives



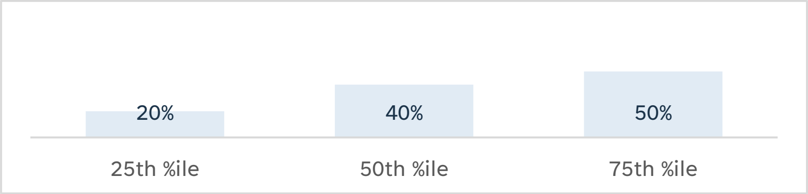
NUMBER OF NON-DEDICATED IN-HOUSE EMPLOYEES

Firms that have in-house employees partially dedicated to AI & automation initiatives



% OF AI & AUTO. WORK UNDER PURVIEW OF THIRD-PARTY

Firms that utilize third-party teams for AI & automation initiatives

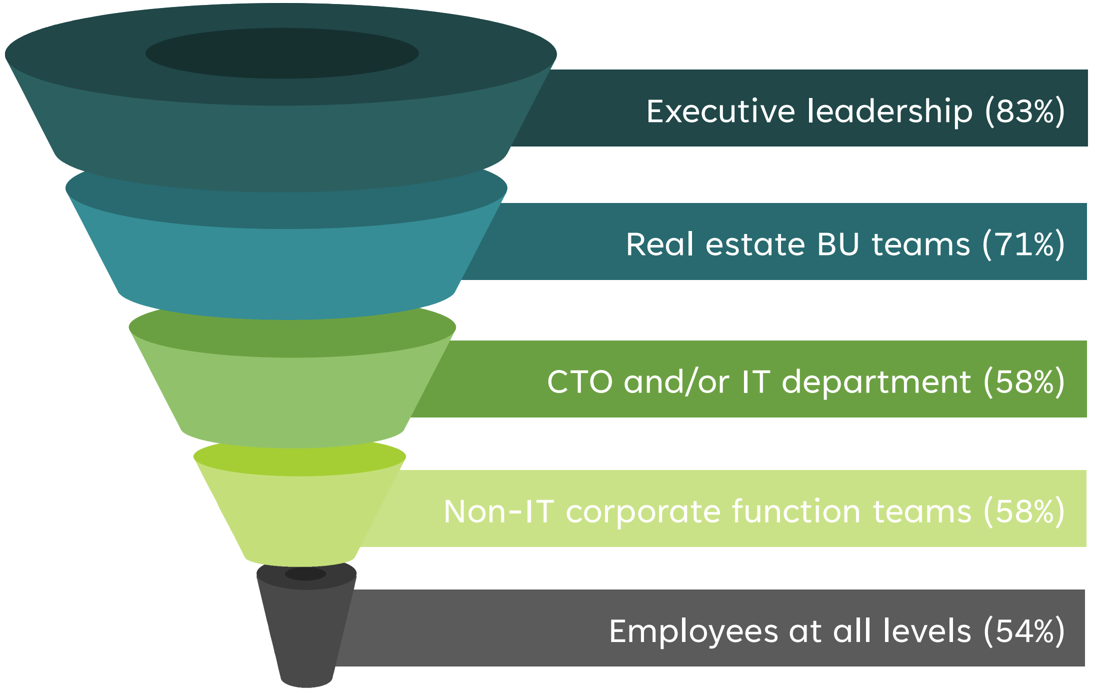


Ideating on AI & automation initiatives

Nearly half of participants seek ideas on AI and automation from employees at all levels across the organization

IDEA ORIGINATION

Where are AI & automation ideas most commonly originated?



COLLABORATIVE APPROACH

What combination of groups is most prevalent in generating AI and automation ideas and initiatives?

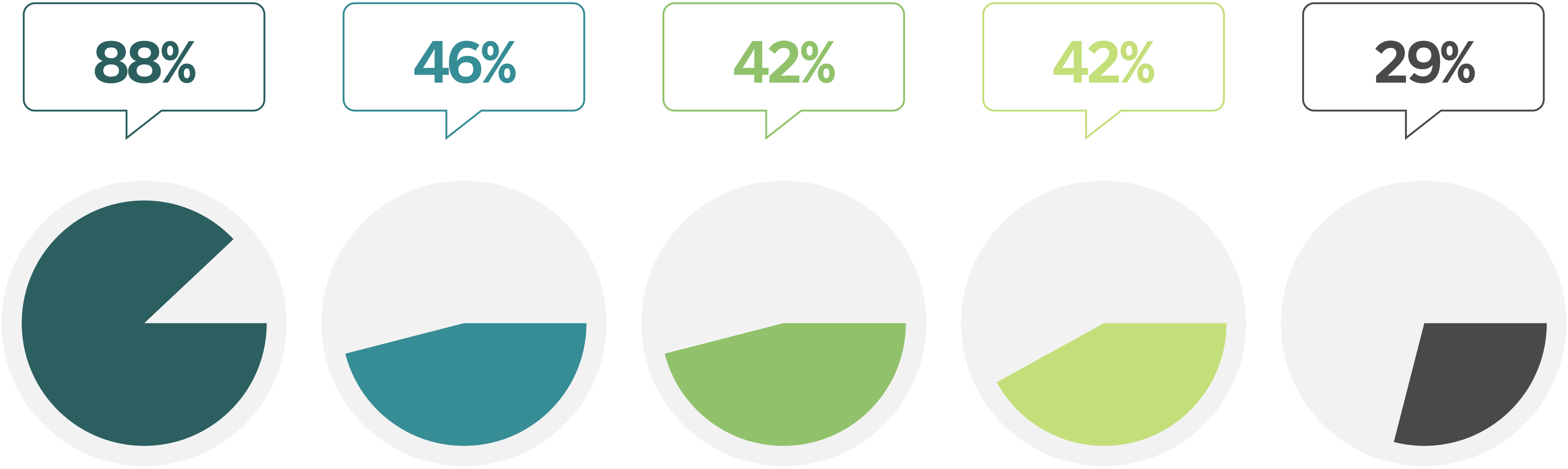
All participants indicated AI & automation ideas can originate from a variety of points in the organization. The most common intersections are:

Executive leadership, CTO and/or IT department, real estate BU teams, other non-IT corporate function teams, *and employees at all levels* (**17%**)

Executive leadership, CTO and/or IT department, real estate BU teams, and other non-IT corporate function teams (**13%**)

Measuring AI & automation initiatives

The most common approach to measuring the success of AI & automation issues is through cost savings and efficiency gains



Cost savings / efficiency gains

Revenue growth or asset appreciation

Deal conversion or leasing activity

Compliance & risk reduction

Tenant or investor satisfaction

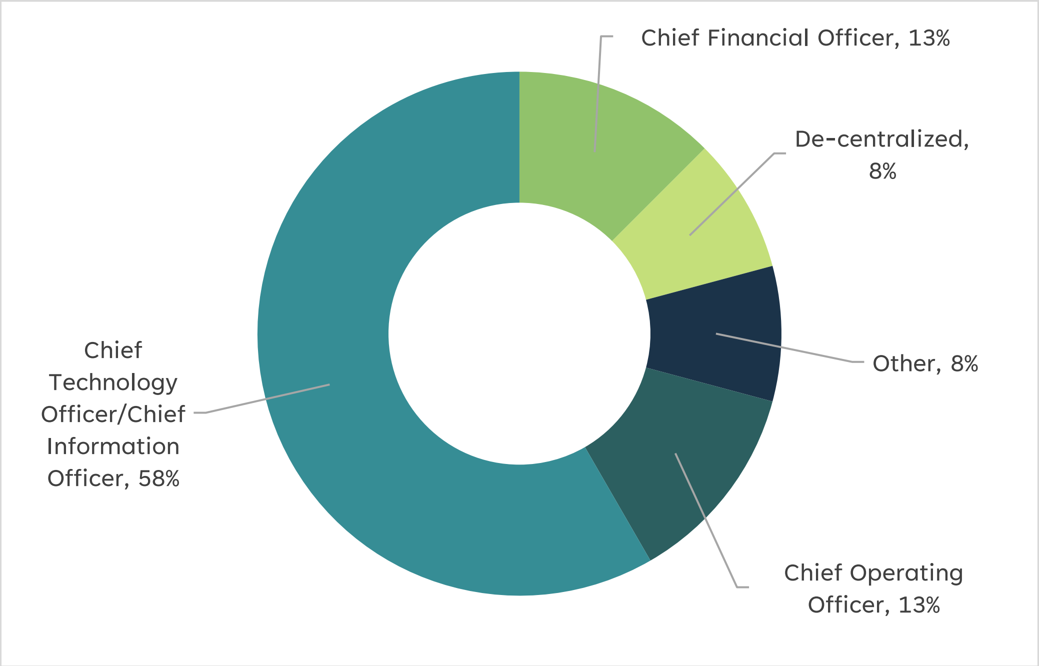
Additionally, 13% of participants indicated they do not measure AI impact. One firm indicated it measures the success of AI & automation initiatives by the aggregation of tools within their business.

Organizing AI & automation teams and processes

Perhaps unsurprisingly, IT leadership is most commonly tasked with oversight and governance of IT and automation initiatives

REPORTING STRUCTURES

Who do internal employees involved in AI & automation initiatives report to?



Internal employees most commonly report to Chief Technology/Information Officers (**58%**). Other responses included Chief Accounting Officer and General Counsel/Chief Compliance Officer.

GOVERNANCE

Who is responsible for overseeing AI & automation governance?

The most common internal parties responsible for AI & automation governance are:

1. IT or data science teams (**58%**)
2. Centralized/dedicated AI or technology committees (**38%**)
3. Compliance or risk management teams (**29%**)

22% of participants do not have governance structures in place.

90% of participants indicated multiple parties are responsible for governance. The most prevalent intersection of groups are:

Centralized, dedicated AI/technology committee & IT or data science team (**13%**)

IT or data science team & compliance/risk management team (**9%**)

Advancing use cases for AI & automation

Survey responses indicate industry use of AI & automation is evolving from low-value tasks to more advanced capabilities

Document creation & review

25%

Participants are leveraging AI to summarize and review a variety of documents, including legal, lease, and loan documents. AI is also being used to generate RFPs and marketing content.

Administrative efficiency

20%

AI & automation are being used successfully to automate lower-value tasks, such as combing through databases for information, document extraction, data entry, and file organization.

Property operations

20%

Many participants cited AI usage at the property level, most commonly in the form of content creation, incident reporting, and maintenance optimization.

Data analysis

20%

Participants are increasingly incorporating AI & automation into data analysis, namely due diligence, investment analysis (market research, supply and demand analysis, etc.), and underwriting (rent predictions, internal data parsing, etc.).

Ferguson Partners

Our Management Consulting Practice

Ferguson Partners – Management Consulting

We help our clients build enduring businesses by creating structures and operations that support their strategy

STRATEGY & MARKET POSITIONING

Optimizing your strategy to compete in the market

- Strategic planning
- Investor feedback studies
- Asset Management & property fee benchmarking
- Product mapping/competitor research
- Custom market studies and research

GOVERNANCE & SUCCESSION PLANNING

Planning around leadership, ownership, and governance

- Succession planning advisory
- Internal equity ownership transitions
- Board advisory and assessments
- Governance best practices
- Delegated authorities and decision-making advisory

ORGANIZATIONAL DESIGN

Getting the right structure, roles, and people in place

- Organizational assessments
- Roles, responsibilities, and reporting lines
- Structuring for scale
- Titling reviews and job descriptions
- Employee engagement surveys

OPERATIONAL EFFICIENCY

Ensuring your business is operating effectively

- Financial performance benchmarking
- Staffing benchmarking (headcount by function)
- Seniority mix benchmarking (right people at right level)
- Functional workload expectations & job description audits
- Competitor outsourcing practices

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