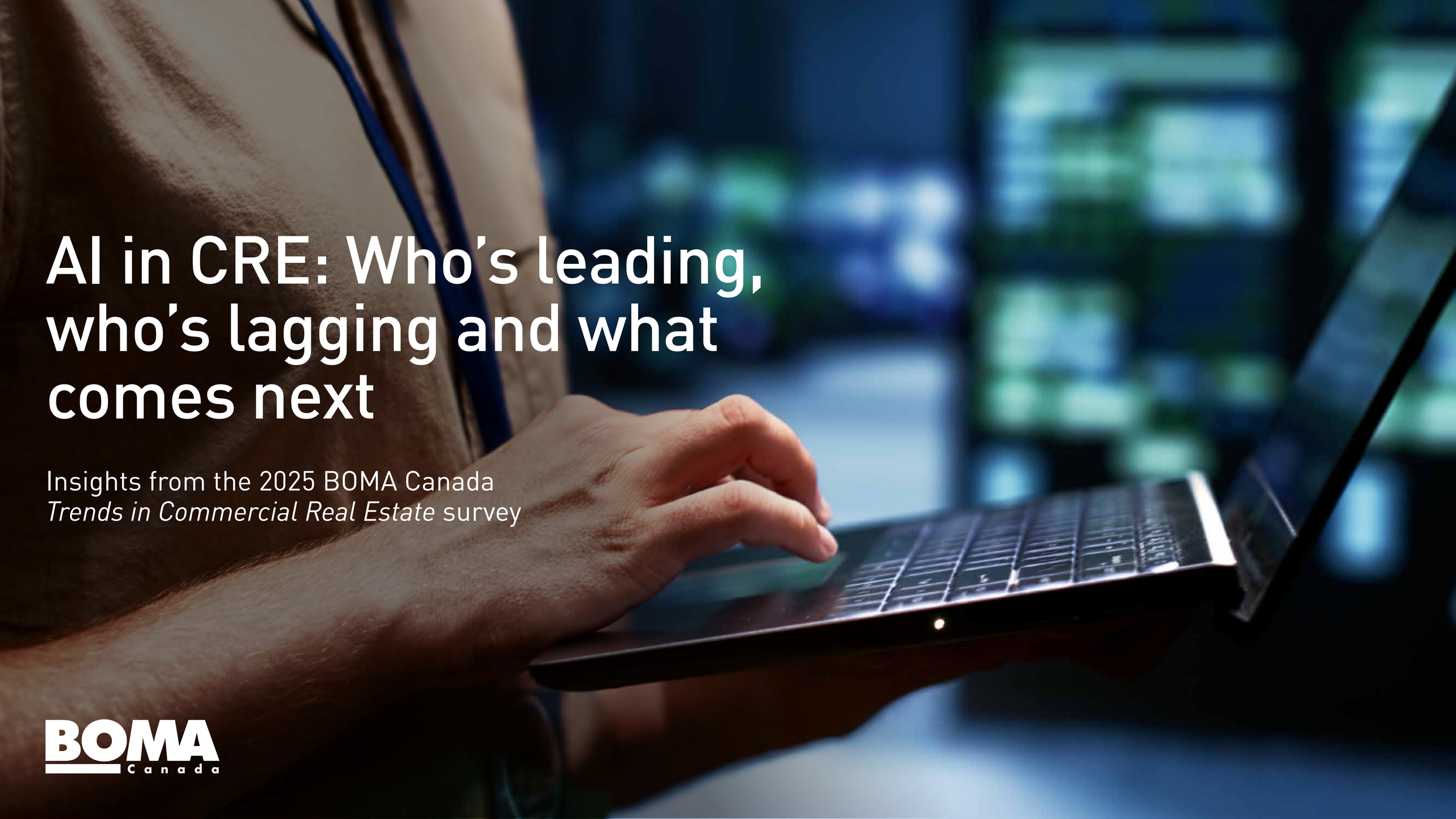


AI in CRE: Who's leading, who's lagging and what comes next

Insights from the 2025 BOMA Canada
Trends in Commercial Real Estate survey

BOMA Canada

Introduction:
The industry is awakening … slowly

Artificial intelligence (AI) is no longer just for writing emails—it's spreadsheet-deep in our operations, dashboards and sustainability reporting.

BOMA Canada, through our AI4CRE initiative, launched this comprehensive survey, *Trends in Commercial Real Estate*, to gather critical information and take the pulse of the industry at this transformative moment. We recognize that, as AI rapidly evolves, the commercial real estate (CRE) sector needs data-driven insights to guide strategic decision-making and collaborative learning.

But as this survey report clearly shows, adoption of AI in our industry is cautious, fragmented and inconsistent.

In fact, respondents were almost evenly matched between being active users of AI in their operations and being in the dark about AI's applications in CRE. In other words, some teams are leading the race, while others are still deciding on what shoes to wear.

A timeline of AI in CRE

2000s

Basic models emerge

Early chatbots and basic evaluation models start to emerge, with little adoption in North American CRE.

2010–2014

Early predictive analytics and valuation

Machine learning begins improving property valuation and predictive analytics, analyzing sales history, demographics and economic data.

CRE firms experiment with automated valuation models.

2015–2019

Increasing sophistication

AI-supported climate tech, predictive maintenance, risk detection and investment analysis emerge.

Venture capitalists invest almost USD 80 billion in property technology.

2020–2023

Covid drives greater adoption

Quantum leap in deployment of AI for virtual tours, chatbots, enhanced maintenance platforms, sensor-based building operations and tenant experience apps.

AI expands into large language models (e.g., ChatGPT, Copilot).

2024–today

The rise of the AI workforce

Agentic AI (autonomous software) is capable of supporting research, analytics and building operations with minimal human intervention.

1. Who's in the room?

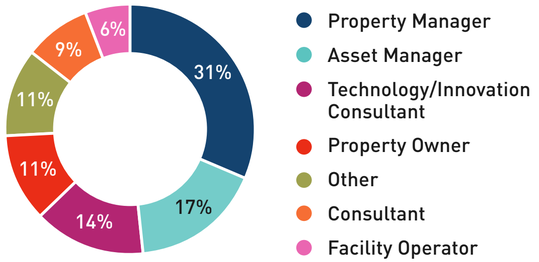
Many roles, many voices

Our respondent base represents a diverse cross-section of the commercial real estate industry.

Property managers constitute the largest group at 31%, followed by asset managers (17%) and technology/innovation consultants (14%). This distribution ensures perspectives from both operational and strategic vantage points.

In addition, 100% of the responses included operations in North America, with a very small number of operations that were also in Europe, Asia Pacific, Latin America, and Middle East and Africa.

What is your primary role in the CRE industry?



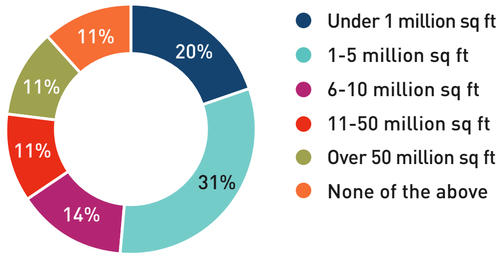
Note: All figures in the graphs have been rounded to the nearest percentage point. In some cases, this may result in the total percentages adding up to slightly more or less than 100%.

Bigger portfolios = bigger curiosity

Portfolio sizes range significantly, from organizations managing under one million square feet (20%) to those overseeing portfolios exceeding 50 million square feet (11%). This range gives us insights into AI adoption across organizational scales.

However, the greatest participation in the survey (suggesting the greatest curiosity with the subject of AI) was seen in portfolios of more than a million square feet.

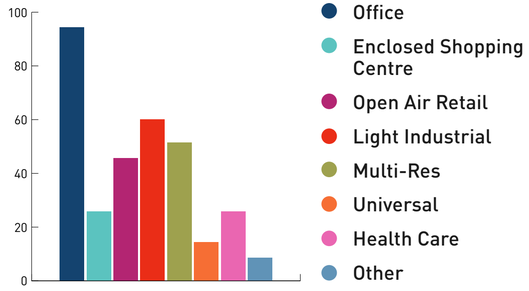
What is the approximate size of your organization's commercial real estate portfolio?



Office is leading the pack

Finally, respondents were heavily represented by office portfolios (94%), followed by light industrial (60%), multi-residential (51%) and open-air retail (46%).

What asset classes are in your portfolio?



2. Rumours versus reality

Everyone's talking about AI. But who's got it figured out?

How well does the industry understand artificial intelligence? The answer is mixed, revealing both promise and areas for growth.

Respondents split relatively evenly into three groups: 29% report being "very familiar" and actively using AI, 43% are "somewhat familiar" and exploring solutions, while another 29% remain only "slightly familiar." Notably, zero respondents claimed to be completely unfamiliar—suggesting **AI awareness is universal, even if understanding remains variable.**

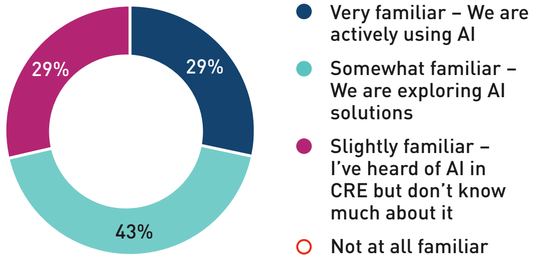
The distinction between generative and predictive AI follows a similar pattern, but in reverse.

Only 37% clearly understand the difference between these fundamentally different AI approaches. Another 29% "somewhat" understand the distinction, while a significant 34% admit uncertainty. This knowledge gap matters because **generative and predictive AI serve vastly different purposes** in building operations and portfolio management.

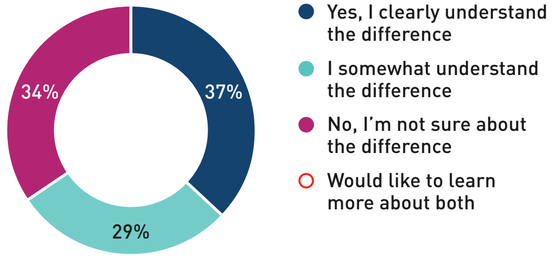
While awareness is universal, fluency is not even close

Examining actual AI implementation, the numbers paint a picture of an industry largely in **experimental mode**.

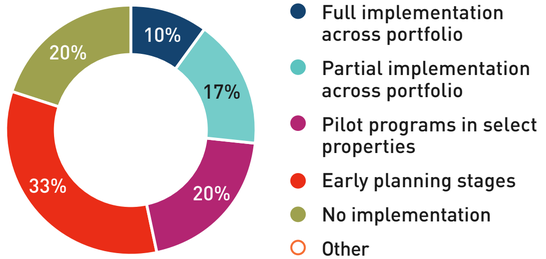
How familiar are you with AI and its applications for commercial real estate?



Do you understand the difference between Generative AI and Predictive AI?



What is your organization's current level of AI implementation in building operations?



Software companies will need to lead the charge

"Because the majority of commercial property management companies use third-party proprietary software, the expansion in AI will have to be driven by them."

—Survey respondent

3. The infrastructure conundrum: Smart tech, dumb buildings

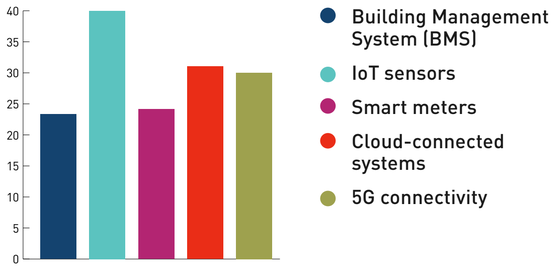
Teams are interested, but buildings are stuck in the past

While AI promises big advantages in terms of optimizing the performance of buildings and building management, and many teams are ambitious about its use, the reality is that **many buildings simply don't have the infrastructure in place**.

When respondents were asked to quantify their AI utilization, **the average portfolio has AI-powered solutions in just 23% of buildings**. Individual responses ranged dramatically from 0% to 100%, highlighting the enormous variance in adoption rates across the industry.

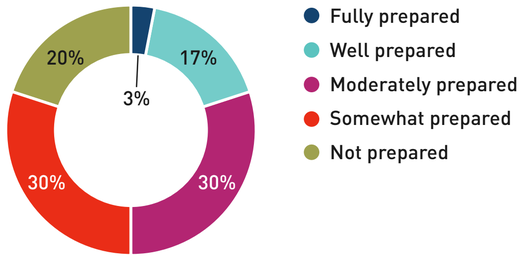
While building management systems show the strongest deployment, with 50% of respondents reporting implementation in over half their buildings, they are not universally adopted. When we examined specific enabling technologies that make AI truly powerful, a significant number of respondents reported the following gaps:

Percentage of buildings in responses that have *not* implemented the following:



This lack of technology carries through to respondents' confidence in their portfolio's technological infrastructure for supporting AI: only 3% feel "fully prepared," while 20% admit they're "not prepared." The bulk—60%—fall into the "moderately" or "somewhat" prepared categories, **suggesting significant infrastructure investment will be necessary before AI can reach its full potential**.

How would you rate your building portfolio's current technological infrastructure for supporting AI implementation?



Older systems cannot keep up

"The impact is hard to predict given the exponential growth of AI and the challenges associated with retrofitting older systems."

—Survey respondent

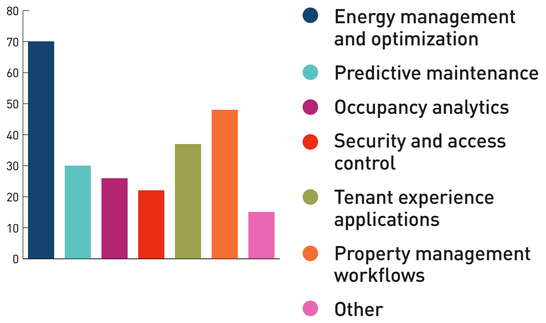
4. AI, beyond the hype

In spite of the low implementation of infrastructure-reliant enabling technologies, AI has gained meaningful traction in several areas.

Energy management and optimization leads the pack at 70%—unsurprising given the clear return on investment (ROI) and relatively common application of AI algorithms to energy consumption patterns.

Conversely, a lower adoption of predictive maintenance (30%)—despite its potential value—hints at the **integration challenges and data requirements** that make this application more complex to implement.

Is your company using AI in the following areas?



Five signs your building is AI-ready

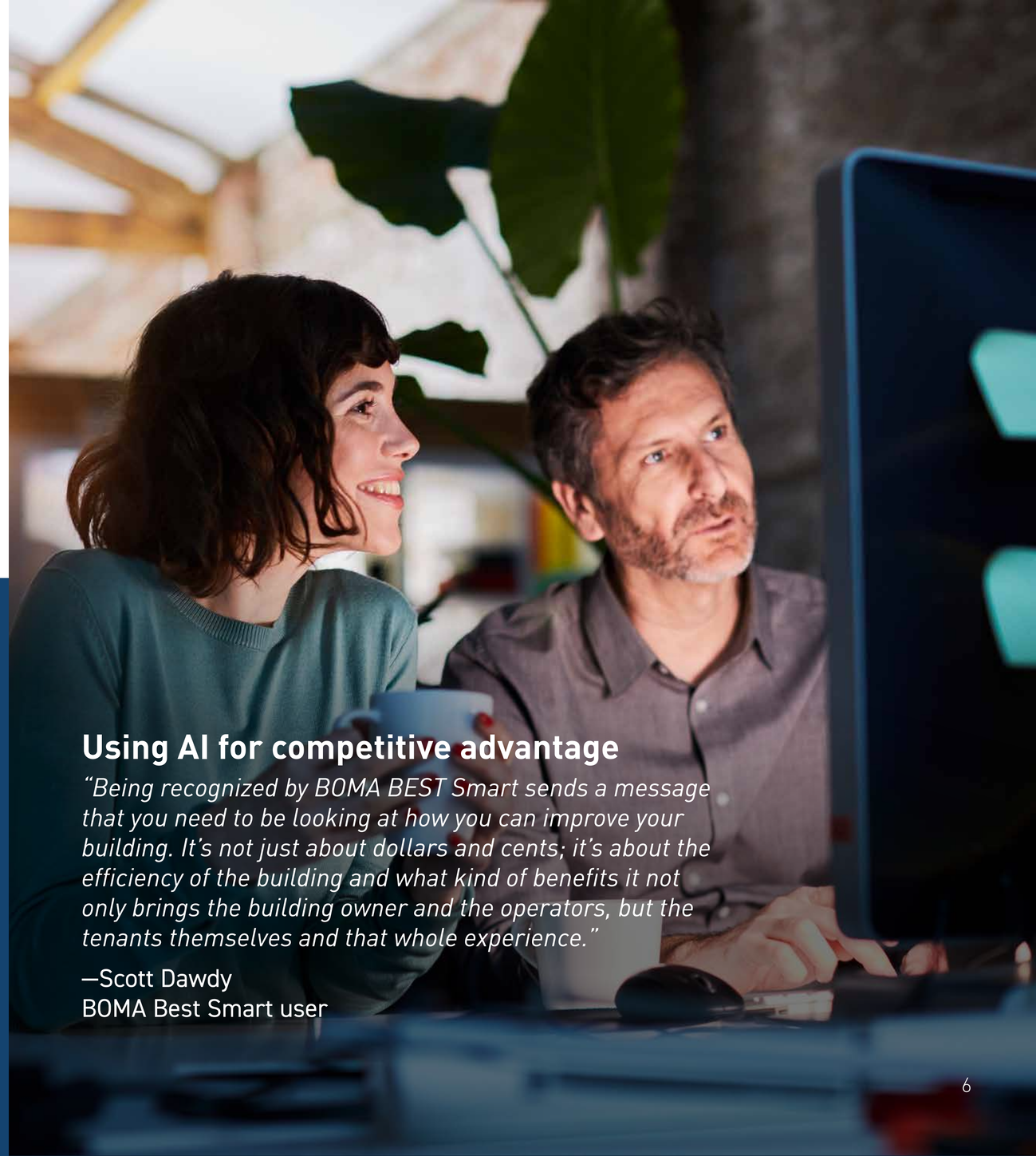
1. Security and safety: Data privacy and cyber security policies are in place; ideally, you will also have auto-alerts on anomalies.

2. Operations and management: A change management process is implemented for all retrofit or maintenance projects affecting building data; you also conduct an annual gap analysis to ensure relevant data is integrated and accurate between building systems and software packages.

3. Network and integration: Training plans—including annual refreshers—are in place for the use of all building systems and integrated software packages.

4. End-user experience: Digital tenant services and assistance (digital concierge, digital visitor check-in, space booking apps, live chat with management, satisfaction surveys, etc.) are in place.

5. Reporting and analysis: Documentation (as-built, operations, maintenance, etc.) is collected and stored digitally for all building systems and integrated software packages.



Using AI for competitive advantage

"Being recognized by BOMA BEST Smart sends a message that you need to be looking at how you can improve your building. It's not just about dollars and cents; it's about the efficiency of the building and what kind of benefits it not only brings the building owner and the operators, but the tenants themselves and that whole experience."

—Scott Dawdy
BOMA Best Smart user

5. Risk-averse or future-ready?

Sitting on the sidelines?

Knowing the obstacles to AI adoption reveals insights for industry stakeholders, technology providers and leadership teams planning their AI strategies.

The top three barriers are clear and interconnected:

1. **Lack of internal expertise** (63%)—Not enough people understand AI deeply enough to drive implementation.
2. **Unclear return on investment** (52%)—Without compelling case studies and clear metrics, justifying AI investments remains challenging. (A related barrier is the perception of too high a cost to implement AI systems, at 37%.)
3. **Integration challenges with existing systems** (44%)—Legacy building systems weren't designed with AI in mind.

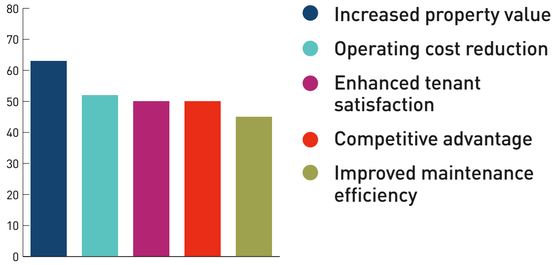
Also related to these barriers are the perceived:

- Resistance to change within organizations (33%)
- Lack of compelling CRE-specific AI solutions (33%)
- Data security and privacy concerns (26%)

Or first-mover disappointment?

For organizations that have implemented AI solutions, what returns are they actually observing? The data here presents a pattern of **modest impact rather than transformative change**—so far.

The dominant response is that AI is having "no" or "minimal" impact on the following five areas of operations:



The most positive impacts were seen in energy efficiency improvements, with 25% reporting impact levels of 4 or 5 on the scale—aligning with the high adoption rate of energy management AI solutions.

These sobering results suggest three possibilities: implementations are too new to show results, expectations were unrealistic or current AI solutions haven't yet delivered on their promise.

Regardless, these findings underscore why "unclear ROI" ranks as the second-highest barrier to adoption.

"The biggest barrier is a] lack of understanding about what's out there, how it works and what it can be implemented with."

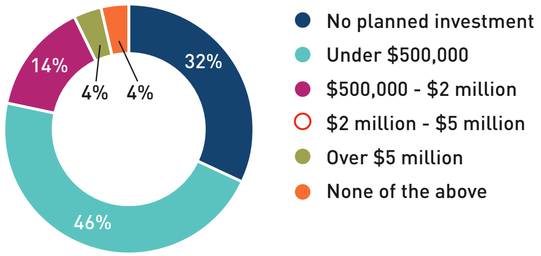
—Survey respondent

6. Investors—cautious, yes. Optimistic, maybe.

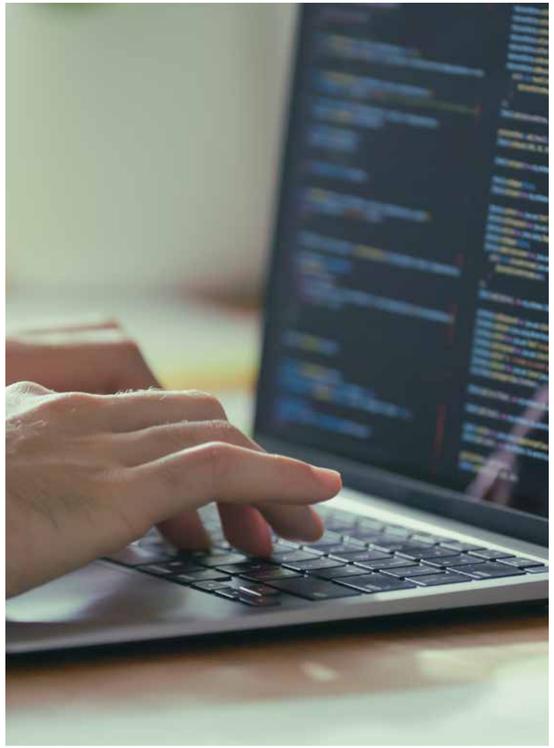
Go small or stay home

Despite these mixed results from current implementations, the industry still shows some willingness to invest in AI technologies over the next two years—albeit at modest levels. Planned AI investments break down as follows:

What is your organization's planned investment in AI technologies over the next 2 years?



This concentration in the under-$500,000 range suggests that **organizations are taking measured, experimental approaches rather than betting big on AI transformation**. This conservatism makes sense, given the unclear ROI and early stages of most implementations.



"The building management solutions that claimed to be AI or machine learning were not. They failed to learn from the buildings."

—Survey respondent

AI is the new sustainability

For commercial building managers, AI today feels a lot like sustainability in 2010—high expectations, tight budgets and growing confidence.

In spite of a slow start, **62% of building decision-makers plan to invest in AI within the next two years**. Yet, budgets remain modest, echoing early sustainability efforts, where ambition outpaced funding.

Despite financial constraints, the industry is confident; more than **70%** of our respondents are interested in implementing smart building automation, advanced analytics, predictive maintenance, and sustainability monitoring and reporting.

For our respondents, AI adoption carries a promise of long-term value—lower operating costs, improved reporting, automation and streamlining, and competitive advantage.

But they need knowledge. Understanding of core concepts, prompt engineering and available AI tools, including CRE-specific applications, were all noted as areas where respondents wanted to learn more.

They also noted concerns with security considerations, data accuracy, scalability issues and job displacement.

For building managers, the takeaway is clear: **start small, track ROI and prioritize practical solutions**.

Like the early days of sustainability efforts, we're now at an inflection point: for commercial real estate, AI is poised to go mainstream.

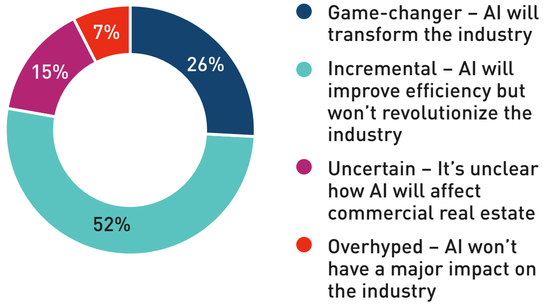
7. Curiosity to competence—what's next?

Waiting for impact

How transformative will AI be for commercial real estate? The industry's perspective is **cautiously optimistic but far from revolutionary**.

Most respondents (52%) expect AI's impact will be "incremental"—improving efficiency without fundamentally transforming the industry. Another 26% believe AI will be a "game-changer." Just 15% remain uncertain, while 7% consider AI "overhyped."

How do you expect AI's impact on commercial real estate to be in the next five years?



The top 6 areas to watch

In spite of the mixed results to date, respondents still seem cautiously optimistic; a significant number expect transformational impact (ratings of 4–5) from AI in:

48%: Sustainability performance

48%: Operating costs

42%: Property valuation

32%: Tenant satisfaction

28%: Workforce requirements

28%: Competition in the market

Notably, respondents expect AI to most significantly impact **sustainability, operations and valuations**—areas where data-driven optimization offers clear value. Lower expectations for tenant satisfaction and workforce transformation may reflect either hope that AI will augment rather than replace workers, or skepticism about AI's near-term capabilities.

There's no AI department—yet

"The next 10 years will see more change than what's taken place in the last 100 in terms of building construction techniques and management systems technologies. The technology will be there, but implementation will be limited by economic and scalability factors inherent of any industry. There will be a huge gap between the way buildings operate today and the ones that will be built in 10 years. AI implementation and learning will be the main challenge along the way."

—Survey respondent

7. Curiosity to competence—what's next? (cont.)

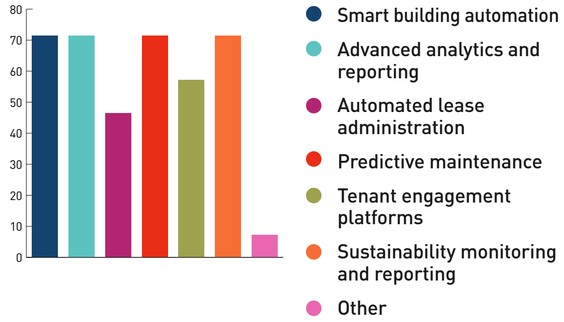
Top 4 priorities the industry needs

When asked about AI applications they're most interested in implementing in the next two years, the top four priorities all tie at 71% interest:

1. Smart building automation
2. Advanced analytics and reporting
3. Predictive maintenance
4. Sustainability monitoring and reporting

This broad interest across categories suggests **the industry recognizes AI's potential to transform multiple aspects of operations**. However, the gap between high interest (71%) and low perceived ROI for those who have implemented similar applications remains stark, reinforcing the barriers discussed earlier.

Which AI applications are you most interested in implementing in the next 12-24 months?



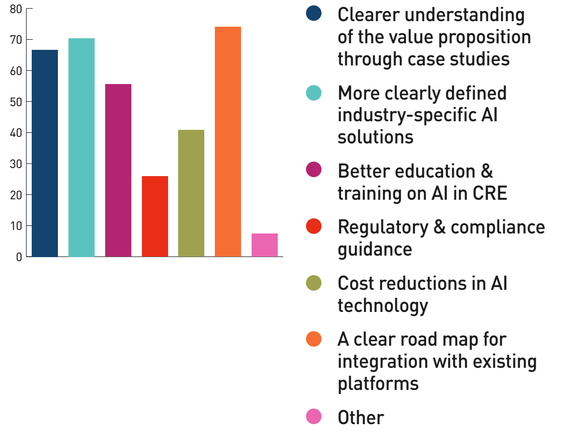
Top 5 areas where you need to lead

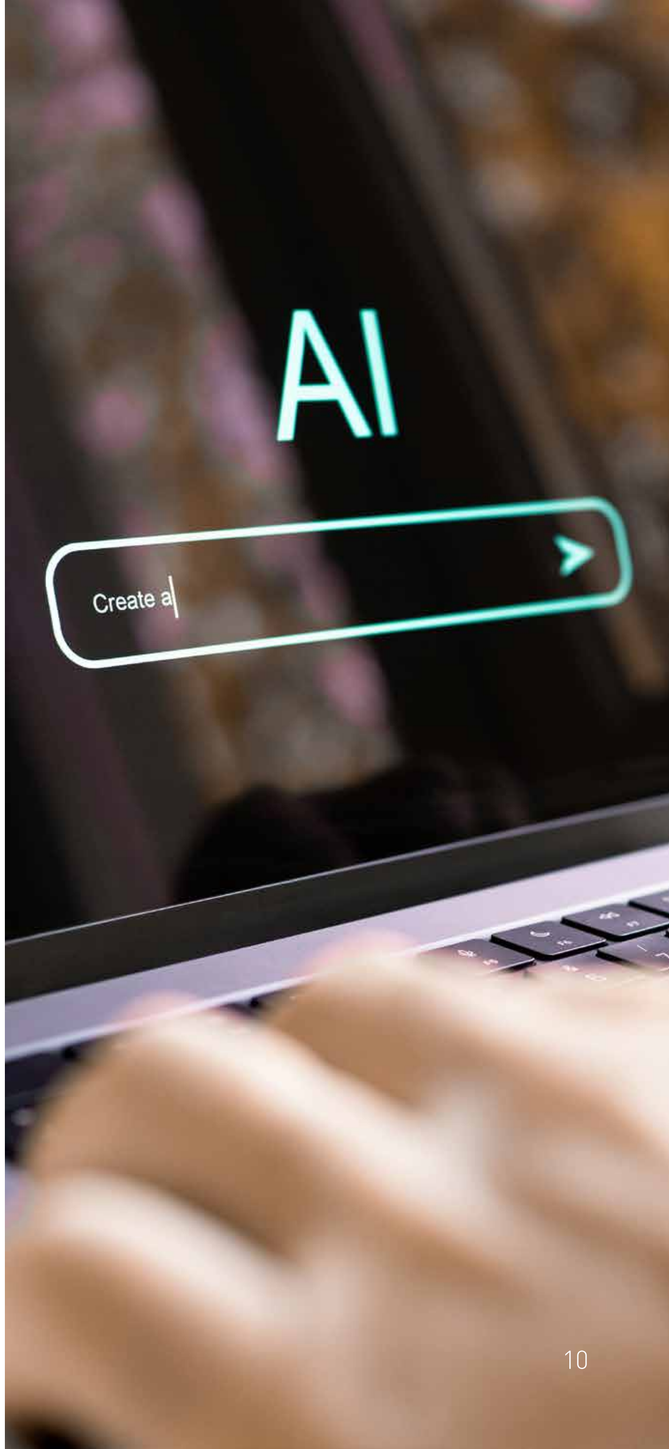
When asked what would accelerate AI adoption, respondents point to several critical enablers:

1. **A clear road map** for integration with existing platforms (74%)
2. More clearly defined **industry-specific AI solutions** (70%)
3. Clearer understanding of the value proposition through **case studies** (67%)
4. Better **education and training** on AI in CRE (56%)
5. **Cost reductions** in AI technology (41%)

These priorities tell a compelling story: the industry doesn't lack interest in AI or willingness to invest. **What's missing is clarity, education, and proven paths forward**.

What would help your company accelerate AI adoption?





8. Turning data into direction—and direction into deployment

The conversation has already shifted from “if” to “how”

Organizations need to see how others have successfully implemented AI, understand how solutions integrate with their existing technology stacks and receive training to build internal capabilities.

As one respondent noted, our colleagues want “to learn foundational knowledge, prompt engineering, and how to search and utilize the different AI tools.”

Another seeks “case studies on AI results versus hype”—cutting through marketing noise to understand real-world applications, and successful ones, at that.

Key areas for attention

- **The knowledge-action gap**: Organizations recognize AI’s importance but struggle to move from interest to action.
- **Infrastructure challenges**: Investments in IoT sensors, cloud connectivity and modern building systems must precede or accompany AI implementation.
- **The ROI question**: Early adopters have a critical role to play in sharing learnings; this will help other organizations overcome their hesitancy in committing resources to AI adoption.
- **Energy management an entry point**: Energy-management AI solutions may serve as the “gateway drug” that builds organizational confidence for broader AI implementation.
- **The education imperative**: Lack of internal expertise ranks as the top barrier. Training programs, industry education initiatives and knowledge sharing will be essential for accelerating adoption.
- **Incremental, not revolutionary**: A measured expectation—that AI will improve operations, rather than fundamentally transform the sector in the near term—may help set realistic goals and prevent disappointment.

Ways to stay on the curve—or ahead of it

Follow BOMA Canada’s AI4CRE Knowledge Centre; this AI resource centre is designed to help property owners and managers understand, adopt and benefit from AI-driven solutions. It offers **free access to reports, studies, videos and guidelines** covering a range of topics. By bringing together the latest information, we aim to encourage collaboration and innovation in the commercial real estate sector.

9. Appendices

Abbreviations

AI: Artificial intelligence

API: Application programming interface

IoT: Internet of things

LLM: Large language model

ML: Machine learning

NLP: Neural language processing

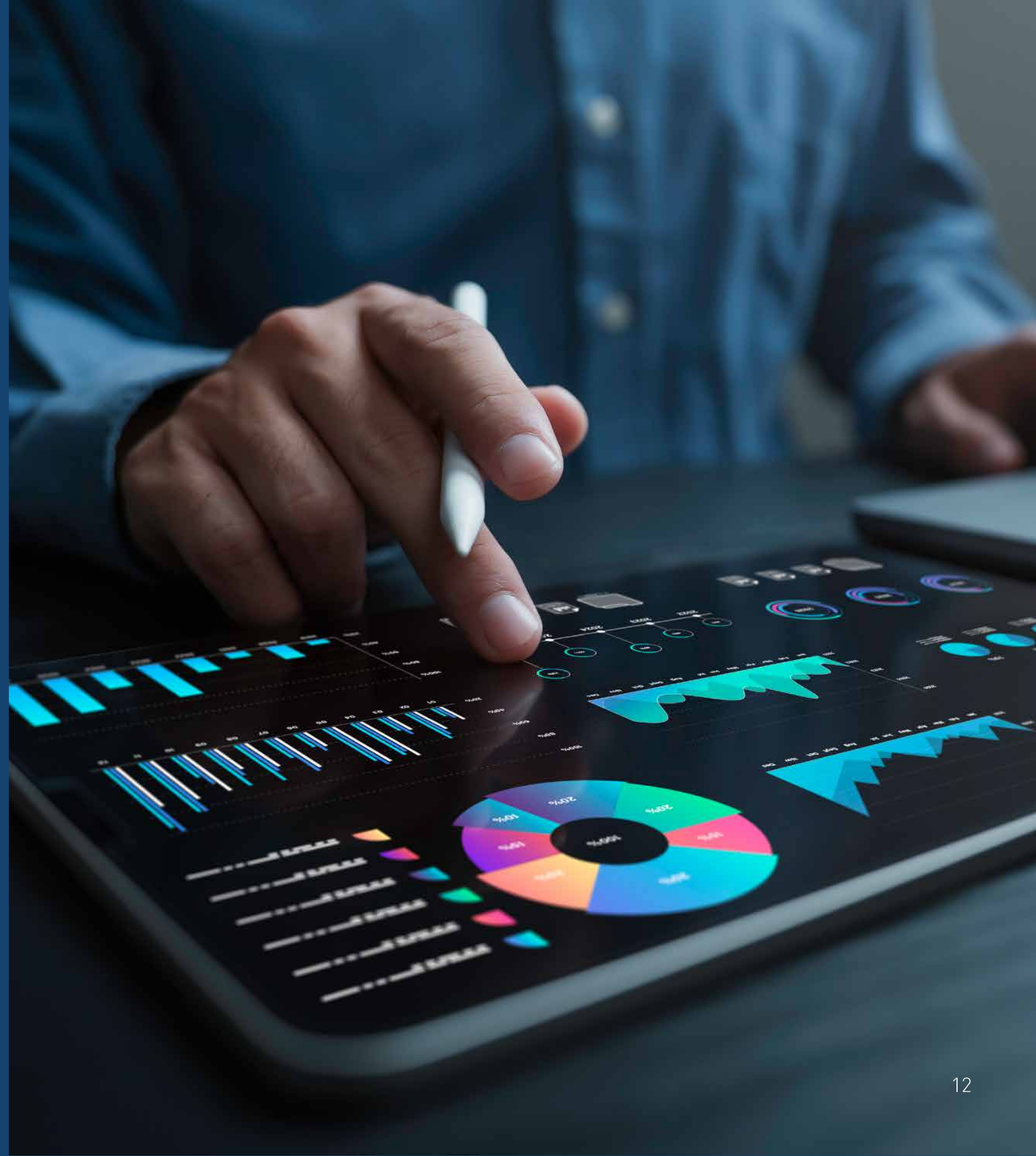
ROI: Return on investment

VR: Virtual reality

Survey methodology

Survey was administered from September 3–17, 2025, via email invitation. A total of 35 respondents included representation from the following roles:

- Property Manager (11)
- Asset Manager (6)
- Technology/Innovation Consultant (5)
- Property Owner (4)
- Consultant (3)
- Facility Operator (2)
- Landlord Leasing (1)
- Director, Technical Services (1)
- Sustainability/ESG (1)
- Real Estate Referral Agent (1)



9. Appendices (cont.)

Questions:

1. *What is your primary role in the CRE industry?*
2. *What is the approximate size of your organization's commercial real estate portfolio?*
3. *What asset classes are in your portfolio?*
4. *In which geographic regions does your organization operate?*
5. *How familiar are you with AI and its applications for commercial real estate?*
6. *Do you understand the difference between Generative AI and Predictive AI?*
7. *What is your organization's current level of AI implementation in building operations?*
8. *What percentage of your buildings have the following?*
9. *How would you rate your building portfolio's current technological infrastructure for supporting AI implementation?*
10. *What percentage of your building portfolio currently utilizes AI-powered solutions?*
11. *Is your company using AI in the following areas? (Select all that apply)*
12. *What are the biggest barriers preventing you from adopting AI?*
13. *What benefits have you observed from implementing AI solutions? (Rate on a scale of 1–5)*
14. *What is your organization's planned investment in AI technologies over the next 2 years?*
15. *Which AI applications are you most interested in implementing in the next 12–24 months? (Select all that apply)*
16. *How do you expect AI's impact on commercial real estate to be in the next five years?*
17. *What AI-related topics would you like to learn more about?*
18. *What do you believe will be the most significant impact of AI on the commercial real estate industry in the next decade?*
19. *What would help your company accelerate AI adoption?*
20. *How do you expect AI to impact the following aspects of commercial real estate over the next 5 years? (Rate on a scale of 1–5)*

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