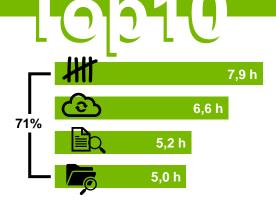
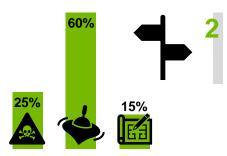
PMRE Monitor 2024

An Al User Manual

Al assistant shares the desk

71% of daily activities have the potential for Al support. On average, it takes 7.9 hours per week to process data manually, 6.6 hours to carry out internet searches and 5.2 hours and 5 hours respectively to check recurring texts or search for documents in the filing system. The creation of recurring texts still consumes 3.9 hours per week. Still! In future, the AI assistant will provide support.





Al sceptics, Al experimenters and Al pioneers require individual leadership

24% of property professionals have no experience with AI solutions, 23% are afraid of risks, reject AI or feel powerless. Only 4% use AI tools intensively in their day-to-day work. This results in three clusters: Al sceptics (25%), Al experimenters (60%) and Al pioneers (15%). Each group has its own opportunities, risks and needs that managers should be aware of in order to mobilize their teams to use AI.

Al with broad application in the property industry value chain

Data & document management and reporting are at the top of the list of processes with AI support (87%). This is followed by accounting & building administration (79%), valuation & finance (70%) and strategic property management (69%). In particular, ESG monitoring stands out with 76%. The need to review regulations is high - as is the potential for AI. Fewer opportunities for use are seen in the areas of technical property management (56%) and project development & construction (55%). An underestimated field due to the Al solutions already available today!



Al minimizes personnel requirements and raises hopes for the craft sector

Al will reduce personnel requirements in the property economy by 22%. Accountants (-41%), valuers (-34%) and brokers (30%) will be particularly affected. Construction workers have less to worry about, with a reduction potential of only 6% due to AI - one reason why the AI pioneers want to expand their manual skills. Al is replacing labour, but perhaps it will bring about the hoped-for revival of the craft trades.



Al saves space, but also promises opportunities for a new asset class

If AI saves on manpower, then space requirements are also reduced. From the participants' perspective, the reduction in office space is 26%. A bitter blow, especially as the office asset class is already suffering from the trend towards working from home. However, other types of use must also expect declines: Retail -24%, production & logistics -16%, hotels -10% and welfare & health -8%. On average, this amounts to an Al-related reduction in space of -17%. A ray of hope: Data centres are booming all the more due to Al.



Ø -17%!



An Al User Manual

Top10

6

Al revealed as a secret climate killer

Al is highly resource-intensive. Energy is required for the computing power and cooling of the systems. Experts estimate that the IT sector currently accounts for 2-4% of global CO₂ emissions the same amount as air traffic. However, with an annual growth rate of 9%, CO₂ emissions will increase massively. This makes it all the more dramatic that the increase in CO₂ volume ranks second to last among the 15 risks of Al. This is an underestimated risk that urgently requires education and sensitization.

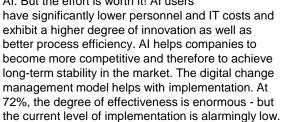


Green Al!

7

Al with a wide range of successes - for those who dare

The current level of implementation in the property industry is low. Only 6% of companies are already using Al. But the effort is worth it! Al users





Al investments: Technology alone is not everything

Al is cost-intensive. From the participants' point of view, investments amounting to 5.7% of turnover are required. Information is also available on the distribution of funds: 46% for the organization, i.e. personnel and processes, 27% for data and 23% for applications. In principle, this distribution makes sense. However, the pioneers are more radical and devote 70% of their investments to personnel and processes. Despite the technical nature of Al, the social structure requires the most attention.



5,7%



₽



9

Economy and Gen Z with different Al perspectives

The great opportunity of AI lies in increasing corporate efficiency. Risks arise primarily from wrong decisions, liability issues or dependence on AI providers. Overall, however, the benefits clearly outweigh the risks from a business perspective. Generation Z, on the other hand, is more critical: in their opinion, AI entails clear risks for society. There are also personal fears, particularly of losing their jobs (Δ +15%). As a result, the proportion of those who say they fear AI is more than three times higher in German Generation Z than in the economy.



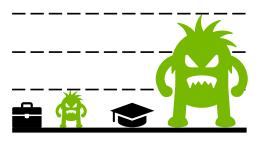
Al - but only with a financial advantage

What are the motivating factors for using Al? From a business perspective, it is essential that each individual has a say in deciding which tasks Al should take on (83%). Generation Z shares this view, albeit not to the same extent. The money factor prevails. This is because the attitude of Generation Z in Germany changes in a

n Germany changes in a particularly positive way when AI developments lead to a personal financial advantage (88%).







Al is a leadership task

The formula for AI success is apparently simple: large amounts of data, structured algorithms and high computing power. However, the true components of success are not technical, but social in nature. The three identified AI clusters in the workforce and the needs of Gen Z require individualized management patterns. Social skills are required and, above all, trust. But trust cannot be digitalized. The digital transformation is therefore a genuine leadership task.

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