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An AREF and Yardi Report:

THE CHANGING ROLE OF DATA & TECHNOLOGY IN REAL ESTATE INVESTMENT

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Chapters

Executive Summary

The real estate funds industry is undergoing a period of transition. Market repricing, rising operational costs, tightening regulation and heightened reporting expectations are reshaping how fund managers operate, allocate capital and communicate with investors. This transition is underpinned by a widespread acknowledgment that technology is no longer an optional support function but a primary strategic enabler essential for scaling, competitive differentiation and meeting heightened stakeholder expectations.

To understand these shifts and explore the current state of data and digitalisation in UK real estate fund management, Yardi and the Association of Real Estate Funds (AREF) conducted interviews with senior leaders across 10 UK-based real estate investment firms, representing more than 40% of AREF's fund membership base, alongside a targeted industry survey of executive and senior management-level representatives from a further 14 fund and investment management firms. Collectively, this provides a substantial and representative view of sector trends.

Across all participating organisations, there is a shared view that the real estate investment landscape is still adjusting after several years of market repricing and interest rate volatility.

Firms consistently highlighted a shift in strategic priorities, shaped by macroeconomic conditions, investor sentiment and sectoral diversification.

Despite short-term pressures, real estate fund managers are increasingly aligning their strategies with broader market shifts, placing emphasis on agility, diversification and long-term value creation. The strategic direction within real estate fund management is shaped by a dual focus: operational excellence and investment oversight.

Artificial Intelligence (AI) is being positioned as an efficiency multiplier. Rather than replacing human judgment, all firms interviewed view AI as a tool to automate "grunt work" - such as document abstraction and data entry - thereby allowing high-level talent to focus on relationship-driven value creation.

Across all data gathered, a clear message emerged: the industry is moving decisively toward data-driven, technology-enabled operating models, but with highly varied levels of maturity.

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WHAT ARE THE KEY CHALLENGES YOUR FIRM FACES IN ADOPTING OR SCALING TECHNOLOGY IN INVESTMENT OPERATIONS?

3%
8%
8%
8%
11%
11%
25%
25%
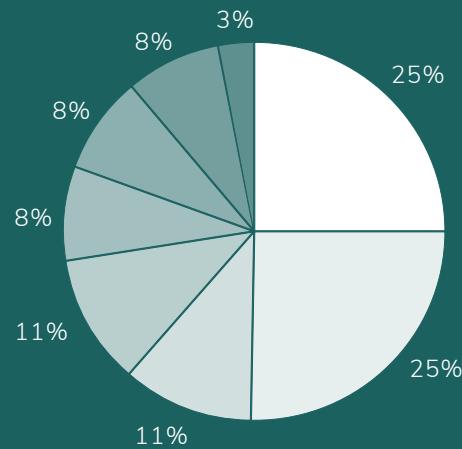
- Data fragmentation or poor data quality
- Integration complexity across systems
- Cost of technology or unclear ROI
- Vendor maturity or lack of fit-for-purpose tools
- Adoption challenges
- Legacy systems limiting innovation
- Lack of in-house expertise
- Resistance to change from senior management

WHICH BEST DESCRIBES YOUR FIRM'S CURRENT PROGRESS WITH TECHNOLOGY ADOPTION FOR INVESTMENT AND FUND MANAGEMENT?

9%
27%
36%
27%
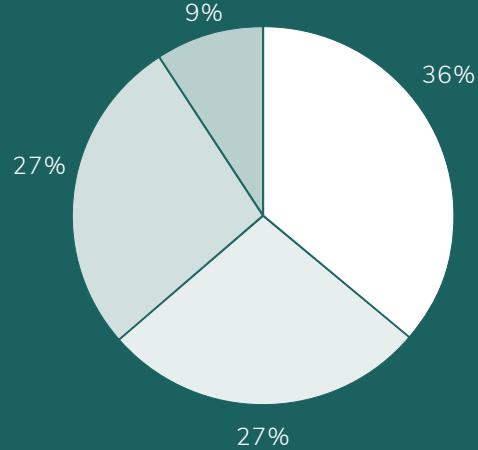
- We are in early research and exploration
- We are actively scaling our existing technology infrastructure
- We are preparing for implementation e.g. data consolidation or system selection
- We trialled solutions but found them ineffective or too risky

KEY FINDINGS:

- **Data fragmentation remains a major barrier to reaping technology benefits.**
 Most organisations continue to rely heavily on spreadsheets and siloed systems, particularly across different jurisdictions. More than 60% of participants cited operational efficiency as the main driver behind their technology strategy. Poor data quality, fragmented data landscapes and the complexity of integrating multiple systems were cited by more than 50% of participants as the primary challenges when adopting or scaling technology within investment operations. In response, more advanced firms are investing in cloud-based data warehouses and structured data platforms to create a more resilient and scalable foundation. **See Chapter 3 for further detail.**

- **Technology is increasingly seen as a strategic enabler.**
  80% of the interviewed firms consistently describe their technology approach as proactive or forward-thinking rather than just support-oriented. Technology is viewed as the "underlying ethos" required to be an effective institutional landlord and meet occupier expectations.

  Although sector-wide technology adoption remains pragmatic, it is clearly accelerating. Few organisations have fully defined real estate technology strategies, but most are actively exploring solutions that enable automation and predictive analytics, particularly in reporting, modelling and asset management. Several firms are already piloting AI-enabled tools for research, ESG and audit processes, decision-support and reporting automation.

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WHAT ARE THE TOP BENEFITS YOU BELIEVE TECHNOLOGY COULD BRING TO YOUR DAILY OPERATIONS?

3% 3%
9%
16%
28%
16%
25%
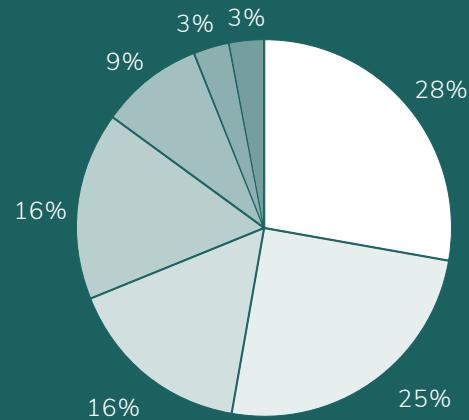
- Greater operational efficiency
- Faster and more accurate reporting
- Improved investment performance
- Smarter forecasting and analytics
- Better risk management
- Enhanced investor transparency
- Stronger audit trail and compliance

WHAT DO YOU ANTICIPATE THE BIGGEST TECHNOLOGICAL DISRUPTORS WILL BE IN REAL ESTATE OVER THE NEXT 3 - 5 YEARS?

5%
5%
9%
18%
45%
18%
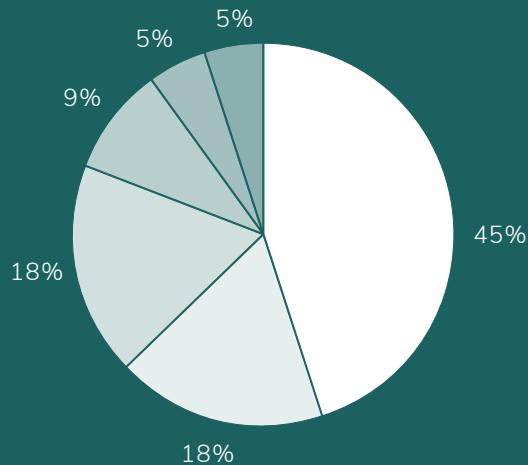
- Artificial Intelligence (AI)
- Automation of fund operations
- Integrated investment platforms
- ESG and sustainaability data tools
- Internet of Things (IoT)
- Open banking or embedded finance

Rising compliance requirements are diverting technology budgets and slowing the pace of innovation, particularly for managers operating across multiple jurisdictions. Despite this, many survey respondents, 28%, identified greater operational efficiency as the primary potential benefit of tech adoption, indicating technology is viewed as a growth engine rather than just a cost centre. Enabling faster, more accurate reporting across their day-to-day activities was also a top potential benefit.

See Chapter 4 for further detail.

- **AI is widely viewed as an assistive capability rather than a replacement for human expertise.**

  Firms are beginning to embed AI into existing workflows, while remaining cautious about over-reliance, data security and the potential erosion of human oversight. Despite these concerns, 45% of surveyed firms identify AI as the most significant technological disruptor likely to impact real estate investment management over the next three to five years.

  See Chapter 5 for further detail.

- **Investor reporting expectations have evolved rapidly.**

  Reporting is moving from quarterly to near real-time, with tailored formats and granular data now standard. More frequent and timely reporting was the top investor demand for 26% of firms. As a result, fund managers see technology having the greatest impact on investor relations and reporting, alongside asset and property management - key stages for digital transformation.

  See Chapter 6 for further detail.

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RECOMMENDATIONS FOR
REAL ESTATE INVESTMENT FIRMS:

Invest in a single, trusted data foundation:
Reduce reliance on spreadsheets and siloed systems by centralising data in cloud-based warehouses and structured platforms. Ensure systems integrate smoothly across jurisdictions and with third-party providers.

Leverage AI as an assistive tool:
Embed AI to automate research, audit processes, and reporting, while maintaining human oversight and addressing data security concerns. Prioritise AI literacy across teams to unlock productivity gains.

Adopt technology incrementally:
Start with modular solutions that deliver immediate efficiency gains in reporting, asset management, and investor relations, building internal capability and momentum for broader transformation.

Use regulatory compliance as a catalyst:
Automate and standardise regulatory reporting to improve accuracy, speed, and operational efficiency, freeing capacity to focus on strategic investment decisions.

Modernise reporting capabilities:
Move towards near real-time, transparent reporting with bespoke investor outputs and granular metrics, supported by validated data and strong governance.

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Introduction
& Methodology

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The UK real estate investment landscape is undergoing a digital transformation. As fund managers navigate a complex environment of rising investor expectations and operational inefficiencies, the role of data and technology has become central to strategic execution.

This report is based on a mixed-methods research approach conducted by AREF and sponsored by Yardi. It brings together insights from investment management professionals representing 20 UK-based real estate funds, and is based on:

In-depth interviews with senior leaders from 10 leading real estate investment firms, collectively accounting for around 40% of AREF's fund membership base. Participants included fund managers, heads of research, COOs, and data strategy leads. Interviews explored strategic priorities, data infrastructure, technology adoption, investor expectations, and barriers to digitalisation.

A quantitative survey of 14 fund managers and administrators, exploring technology adoption trends, key challenges, and future priorities. Participants included CEOs, CFOs, fund directors, and directors of technology. Survey questions explored technology adoption, data challenges, and disruption across the investment lifecycle.

Interview transcripts and survey responses were coded and analysed to identify recurring themes, pain points and innovation patterns.

Quotes were extracted, with permission, to illustrate key findings and provide an authentic voice from the industry. This methodology ensures a balanced view of both strategic intent and operational reality, capturing the nuances of digital transformation across the real estate investment lifecycle.

By highlighting both challenges and innovations, this report aims to support fund managers and administrators in shaping a more agile, transparent and data-driven future for real estate investment management.

Addressing the
Data Fragmentation
Challenge

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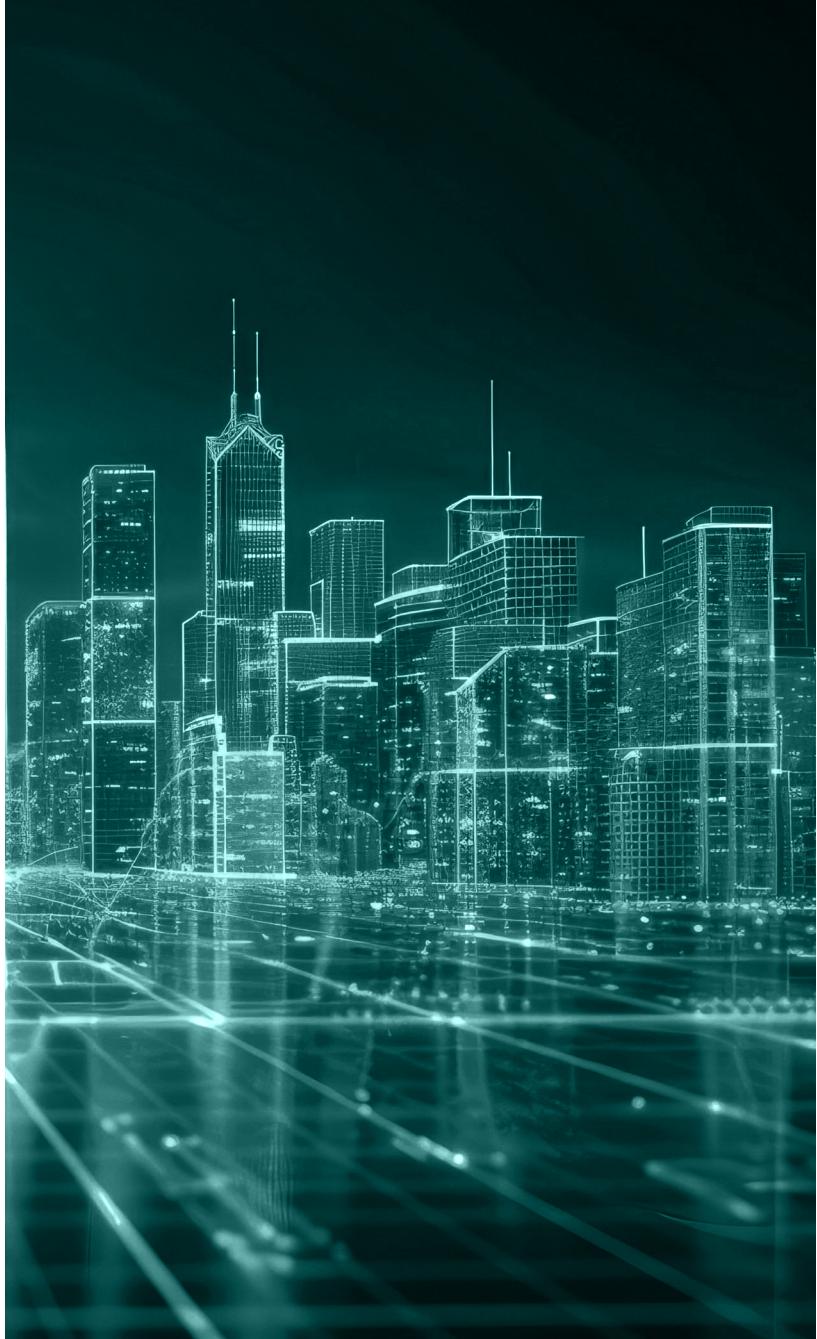
WHICH DATA TASKS ARE THE MOST TIME-CONSUMING
IN YOUR INVESTMENT OPERATIONS?

- Consolidating data into reports
- Locating relevant data across systems
- Validating and checking data quality
- Customising reports for stakeholders
- Re-entering or syncing data manually

4%
17%
37%
21%
21%
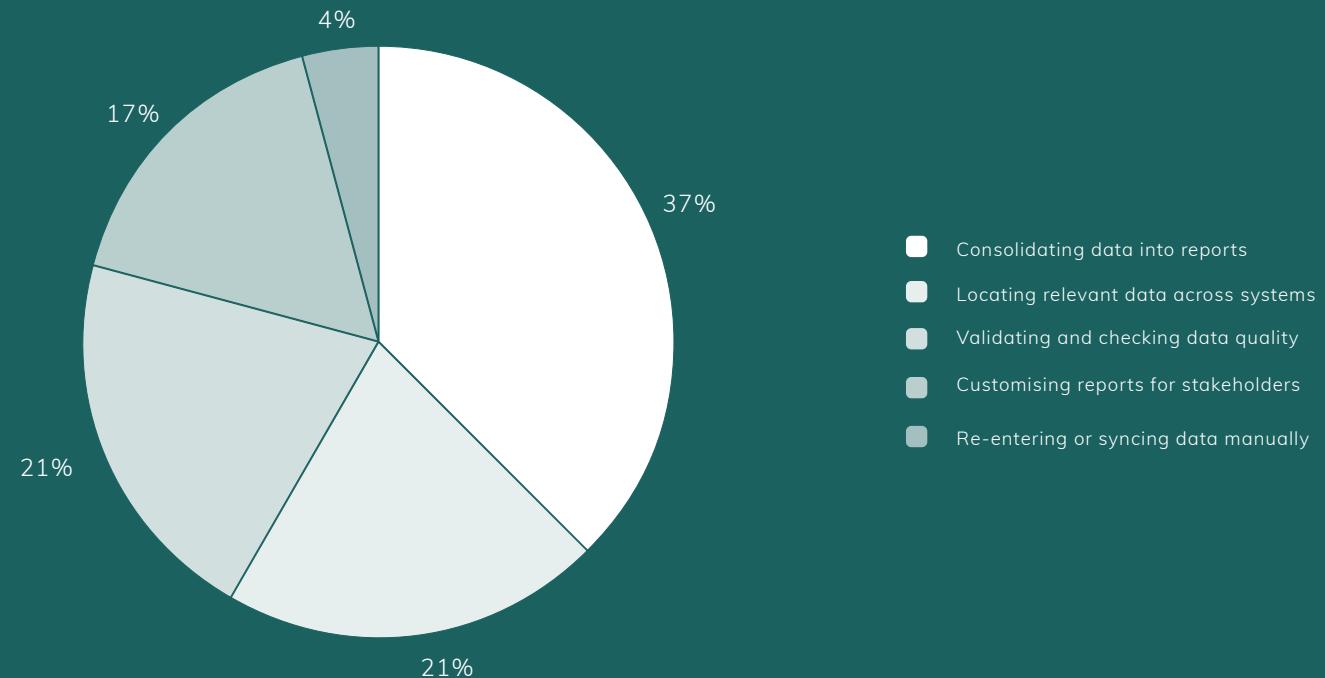
All interviewed and surveyed organisations identified data and reporting as both a major operational challenge and a strategic priority, mentioning a heavy reliance on manual Excel modelling and the risks associated with "linking multiple spreadsheets". Notably, 100% of survey respondents stated that access to data and the ability to analyse it will become more important within their firms over the next 24 months.

However, interviewees highlighted that data accessibility itself is a key pain point. In particular, data consolidation and reporting were cited as the areas where the greatest inefficiencies occur.

Reflecting this, 37% of survey respondents reported that consolidating data into reports is their most time-consuming data-related task. Locating relevant data across multiple systems, as well as validating and checking data quality, were identified as the second- and third-most time-consuming activities.

Other recurring pain points include a heavy reliance on spreadsheets, particularly for valuation, forecasting and legacy fund structure, as well as inconsistent and fragmented data across both in-house and outsourced systems.

One of the funds interviewed mentioned that *"it takes a good week to gather basic data, such as rent collection or tenant exposure across Europe"*, suggesting significant inefficiency coming from a high manual workload.

To address these challenges, many firms are making strong progress toward more modern data foundations, including:

- Cloud-based data warehouses and data lakes
- Automated data ingestion pipelines
- Improved lineage, governance and metadata frameworks
- Consolidated data models that enable consistent reporting

A small number of organisations demonstrated highly advanced data architectures, delivering structured, near-real-time insights that differentiate their investment and reporting capabilities.

More broadly, firms are investing in scalable platforms to unify disparate data sources and reduce manual intervention. Given the complexity of real estate data, spanning lease terms, financials, operational metrics, and ESG data, this requires robust systems for sourcing, cleansing, and consolidating information. Key initiatives include:

- Building centralised data lakes to integrate public and private market data
- Partnering with external providers to streamline fund accounting and lease data
- Automating operational metrics and ESG reporting to improve transparency and efficiency

Across the board, the direction is clear: trusted, unified, and automated data foundations are becoming essential infrastructure rather than a differentiator.

> "
>
> *We're on a journey to become more data-centric – embedding emerging tech while bringing it into harmony with legacy systems."*
>
> Head of Systems,
> Real estate investment firm
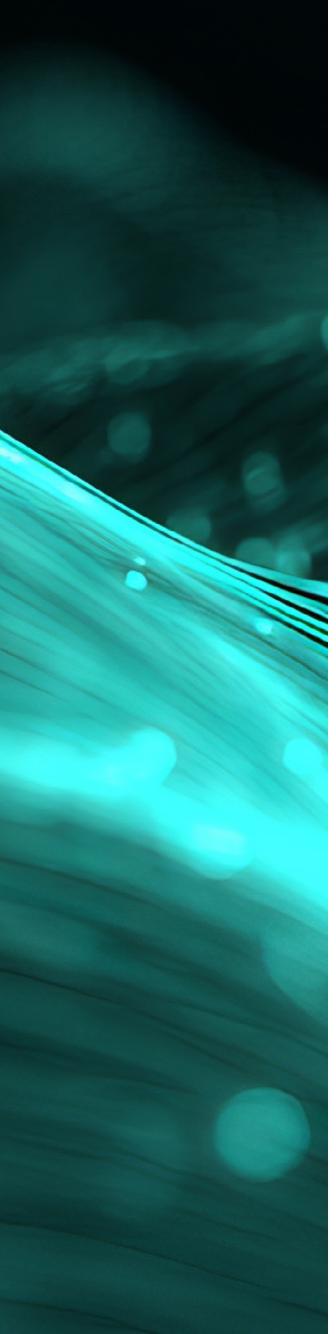
Technology as a Strategic Enabler

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WHAT ARE THE TOP BENEFITS YOU BELIEVE TECHNOLOGY COULD BRING TO YOUR DAILY OPERATIONS?

Pie chart with the following values: 28%, 25%, 16%, 16%, 9%, 3%, 3%

Legend:
- Greater operational efficiency
- Faster and more accurate reporting
- Improved investment performance
- Smarter forecasting and analytics
- Better risk management
- Enhanced investor transparency
- Stronger audit trail and compliance

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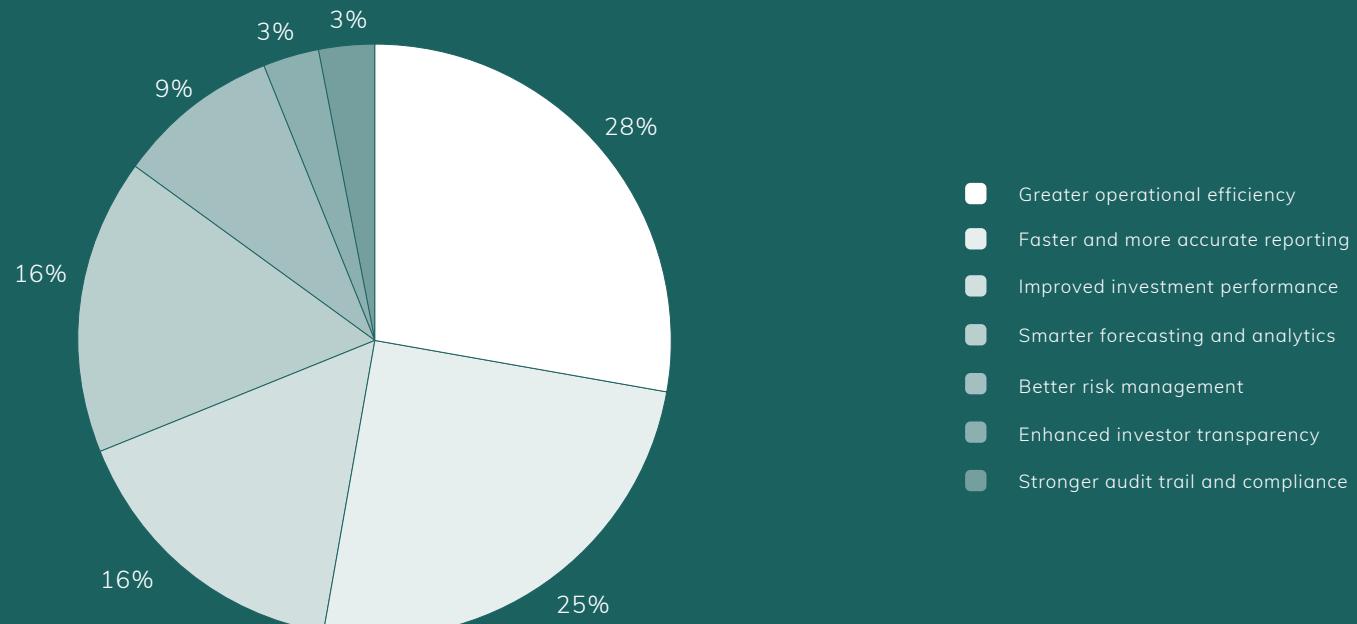
Technology is no longer viewed as a back-office enabler – it is increasingly tied to strategy, investment performance, and investor confidence.

> *"We definitely view technology as a strategic enabler, rather than just an operational support function."*
>
> Head of Systems,
> Real estate investment firm

Even though 64% of firms surveyed manage portfolios above £5 billion, only 28% describe themselves as "ahead of the curve" in technology, highlighting a significant gap between asset scale and digital maturity.

Cultural adoption was highlighted by firms repeatedly as a success factor, with several organisations noting resistance to change and digital skills gaps as ongoing challenges. Legacy systems and cost are common blockers, while fear of change and lack of interoperability can also slow progress.

Technology adoption is however increasingly embedded across the asset lifecycle, with a focus on improving operational efficiency, occupier experience and sustainability outcomes. This adoption is largely pragmatic and process-led rather than driven by wholesale digital transformation.

However, several funds highlighted structural complexity resulting from multiple business units and past acquisitions.

As a result, systems integration remains a challenge, with some organisations operating three to five legacy platforms concurrently across different regions. 88% of firms interviewed identify legacy systems and the lack of interoperability as the primary hurdle to technology adoption.

> *"Legacy systems... switching that into advanced technology will be quite difficult... but the advantages are so much greater than the pain of getting there."*
>
> COO,
> Real estate investment firm

In this context, technology is primarily deployed to support strategic business objectives and enhance existing practices, rather than to fundamentally redefine them. It is not viewed as a substitute for human expertise, but as an enabler of better decision-making and improved service delivery.

As adoption increases, leadership faces the challenge of balancing innovation with effective governance. This includes ensuring that processes are scalable and appropriately centralised, while reducing reliance on individual knowledge to build organisational resilience.

> *To deliver successful real estate investment strategies across different client mandates, we need to be much closer to our occupiers. Data and technology are a critical part of enabling that - helping us operate more efficiently, improve transparency and ultimately drive better outcomes for investors."*
>
> **Emma Long**
> Head of Business Strategy,
> L&G Real Assets Equity

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Using AI to Enhance Human Decision-Making and Automate Manual Work

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With 45% of surveyed firms identifying AI as the most significant technological disruptor likely to impact real estate investment management over the next three to five years, adoption is progressing across all firms. Common and emerging use cases include:

- Lease abstraction
- Reporting generation
- Document summarisation
- Data validation and error detection
- Predictive analytics (maintenance, cashflow, ESG performance, capital expenditure)
- Underwriting support
- Automated research
- Natural-language portfolio interrogation

Most firms view AI as a productivity tool rather than a replacement for human judgment. Some more forward-thinking organisations are already embedding AI literacy into their employees' 2026 objectives.

AI is seen as most valuable for document interrogation (lease reading), meeting minutes, and drafting investment papers. Some participants are experimenting with GenAI for document abstraction (e.g., lease and legal review) to bridge the gap between unstructured documents and structured data.

> *"There is now so much available in the market to simplify day-to-day work. It allows us to focus on adding real value, rather than spending time grinding through Excel models."*
>
> Head of Data,
> Real estate investment firm

AI and predictive analytics are also impacting how firms model asset performance, manage capital planning, and engage with communities. For example, predictive maintenance tools help forecast equipment lifecycles, enabling proactive interventions and better capital allocation. Applications include:

- Modelling asset longevity and maintenance schedules using historical data and sensors.
- Assessing market demand before committing to new developments.
- Understanding local demographics to tailor occupier mixes and enhance place-making.

These technologies support risk management and strategic planning, though implementation requires careful prioritisation to ensure scalability and meaningful return on investment.

> **The biggest barriers for AI adoption are cultural rather than technical: building trust, training teams and integrating AI into established workflows.**

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> "
>
> *AI is only as powerful as the data beneath it. Strong, unified and secure data foundations are what enable AI to deliver real value – and that's where the future of real estate performance will be built."*

Neal Gemassmer
Vice President & GM,
Yardi
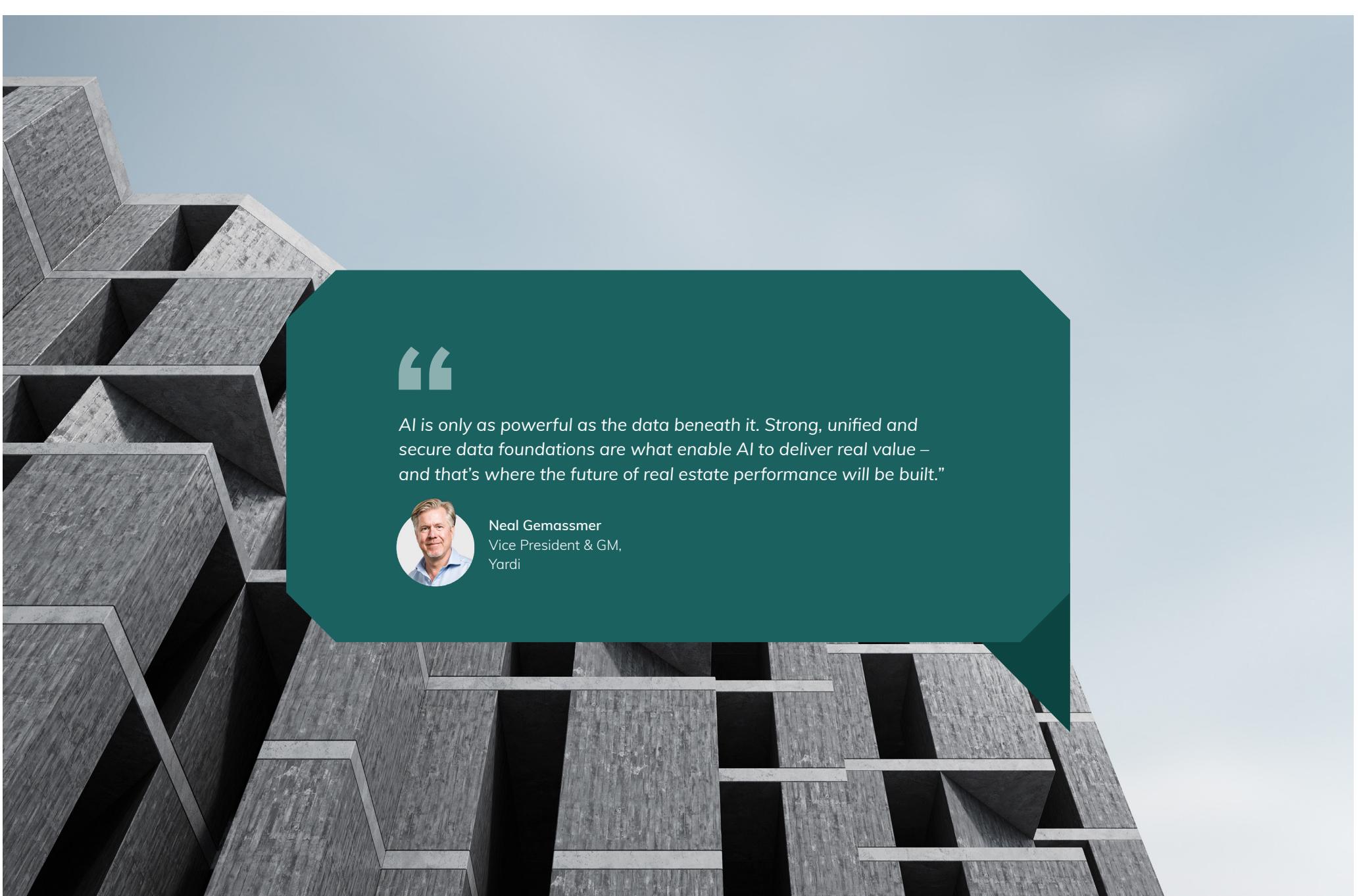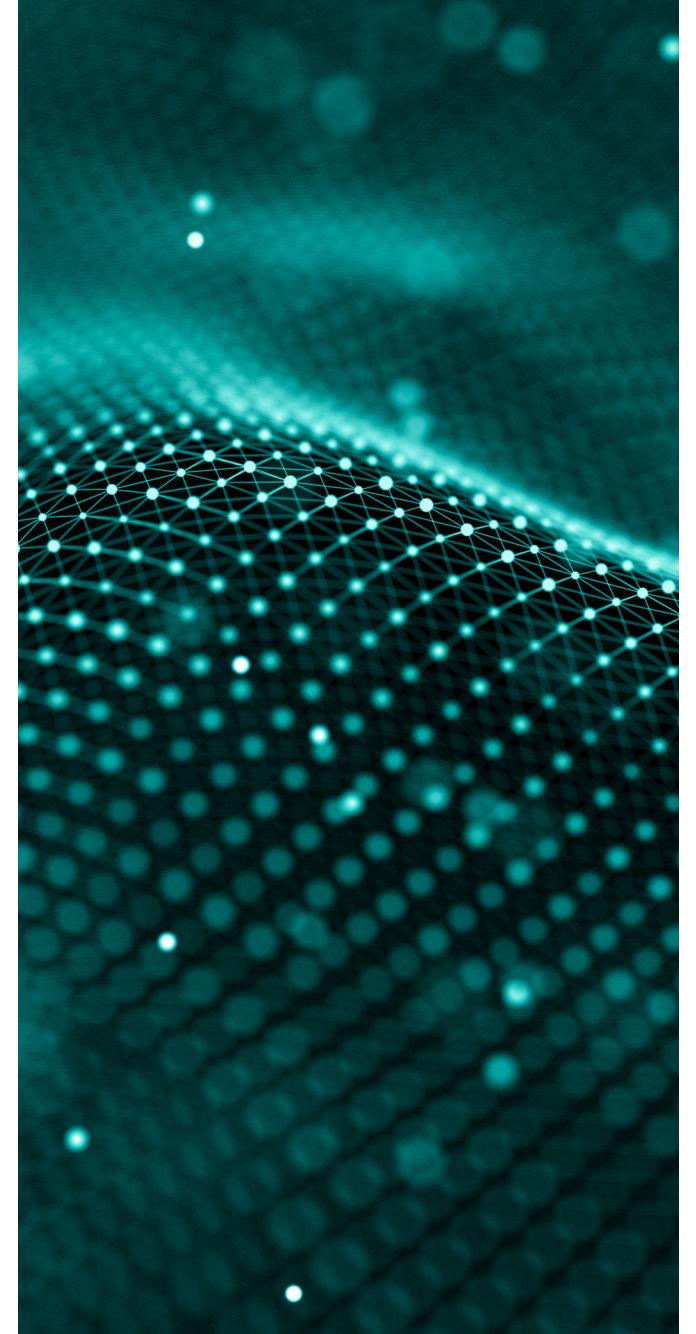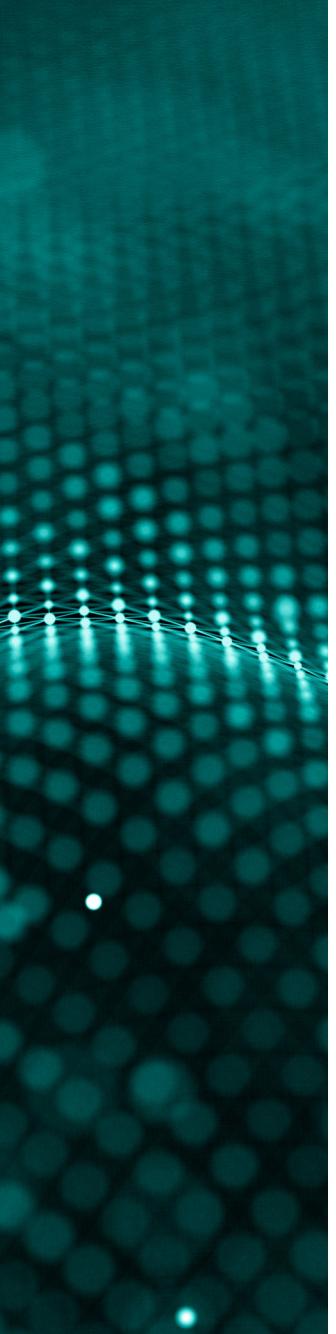
The Rise of Portals and Investor Demand for Real-Time Transparency

WHAT ARE THE BIGGEST INVESTOR DEMANDS YOUR FIRM
IS TRYING TO MEET THROUGH TECHNOLOGY TODAY?

- More frequent and timely reporting
- Deeper performance insights
- ESG and sustainability metrics
- Real-time access to portfolio data
- Greater transparency on fees and costs
- Faster capital deployment
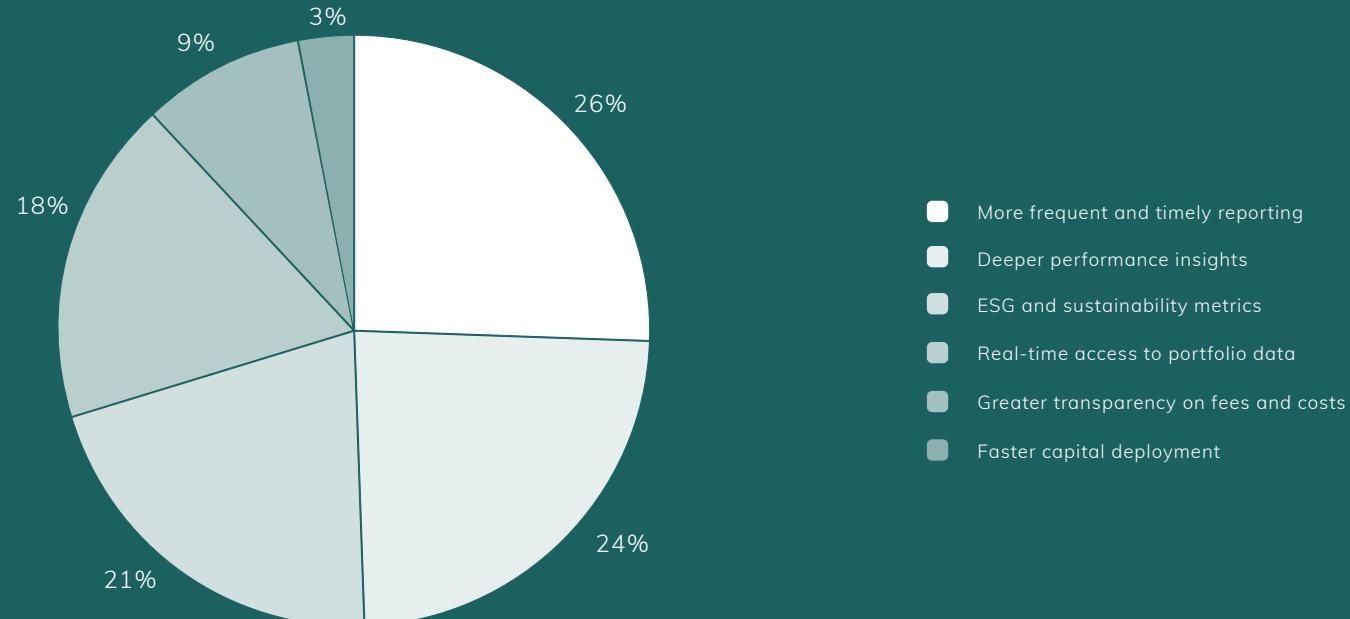
> "Investors are expecting more real-time reporting. They like the idea of a fund portal to get all the information they want in one place. Quarterly reports will continue for compliance, but portals will become the first port of call."
>
> Senior Fund Manager,
> Real estate investment firm

Across the firms interviewed and surveyed, organisations agreed that investor requirements have changed significantly.

- Investors are driving the shift from quarterly reports to real-time, portal-based, and bespoke reporting, with 50% of survey respondents citing 'more frequent and timely reporting' and 'deeper performance insights' as their top two demands.
- Investors now demand greater transparency and more granular asset-level detail, especially around performance and risk.
- Firms note the rise of data-heavy RFPs and the need for agility.
- Reporting is shifting from static PDF packs to dynamic dashboards and interactive portals.

Several participants reported an increasing volume of ad-hoc ESG and performance queries, indicating a shift toward continuous access rather than periodic disclosure.

To meet these expectations, firms are:

- Enhancing fund performance tracking
- Leveraging platforms for real-time occupier feedback and asset performance metrics
- Continuously evaluating new technologies and partnerships to stay ahead of investor needs

Transparency is critical, but so is speed. The move to streamlined reporting has transformed investor communications, enabled timely updates and fostered trust. Open data interfaces have played a key role, allowing third-party platforms to integrate more seamlessly with internal systems.

Ultimately, the goal is to provide investors with meaningful insights in a format that suits their preferences, while maintaining the rigour and accuracy required in institutional fund management.

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> *The only reason we exist is to deliver investment returns for our clients, and technology has to serve that goal. If you don't get the data right - centralised, accurate and accessible - you can't make decisions quickly, reduce costs or improve performance."*

Stephen Walker
Head of AI & Technology - Real Estate and Alternative Investments, Aberdeen

The Future Operating Model: Unified, Scalable, Insight-Driven

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Across the data gathered, a consistent picture emerged of what a next-generation investment management model looks like in practice. At its core is a **single, trusted data layer** that underpins all workflows, enabling seamless integration across internal systems and third-party providers. Data is captured and validated automatically, reducing manual effort while improving accuracy and timeliness.

Decision-making is increasingly supported by AI, embedded directly into day-to-day processes across teams and complemented by self-service dashboards that give both internal stakeholders and investors real-time visibility into performance. Underpinning all of this is strong governance and control, ensuring confidence in the data and the insights derived from it. Essentially, these capabilities are not confined to specialist teams but are supported by a culture in which digital skills and ways of working are widely embedded across the organisation.

As one participant noted, "Legacy systems create a problem... we're trying to integrate with existing systems, but we need real estate-specific ones." Organisations that have already moved closer to this model are seeing clear benefits, including greater transparency, operational efficiency and a stronger competitive position.

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Overall, the findings point to a sector-wide transition in how investment management teams approach data, technology and reporting. **Technology adoption is increasingly recognised as a firm-wide priority** rather than a siloed initiative, yet legacy systems and poor interoperability remain major structural barriers. Data fragmentation is a universal challenge, compounded in many cases by reliance on third-party data sources and slow Excel-based processes, which are still prevalent but increasingly viewed as an operational concern.

There is a clear shift underway from output-focused reporting towards greater transparency at the input level, driven by rising expectations for timeliness, customisation and auditability in both performance and investor reporting. **Demand for real-time insights and self-service analytics continues to grow**, exposing gaps in existing reporting capabilities and reinforcing the need for structured, validated data.

As a result, many organisations are looking to cloud migration and centralised data warehousing as foundational steps to address fragmentation and support more scalable, trusted reporting models.

The firms that will lead the next cycle are those who:

- Unify strong data foundations
- Embrace automation and AI-enabled insights
- Modernise reporting and investor communication
- Scale digital capability across teams
- Build resilient, interoperable operating models

Looking ahead, one principle stands out: AI will transform real estate, but only when built on strong, trusted data foundations.

> *"There's a strong push to determine how we can effectively leverage AI. Demonstrating how teams are engaging with AI is increasingly becoming part of everyone's objectives."*
>
> Head of Research and Risk
> Real estate investment firm

The industry is still in the early stages of AI adoption, and experimentation is essential. Different large language models (LLM) will serve different regions and use cases, which is why a flexible approach is critical.

However, real estate will always depend on human judgement, input, and relationships. AI and technology are not here to replace that – they are here to amplify it.

Organisations that combine strong data, thoughtful governance and a willingness to innovate will be the ones who thrive in the next chapter of this industry.

> "
>
> *AI relies on data. It relies on a single source of truth and accurate data sets. As AI becomes a part of both the operating system and utilisation, whether it's for managing investments, marketing or energy optimisation – you need a strong foundation to effectively utilise AI and unlock intelligence at scale."*
>
> **Neal Gemassmer**
> Vice President & GM, Yardi

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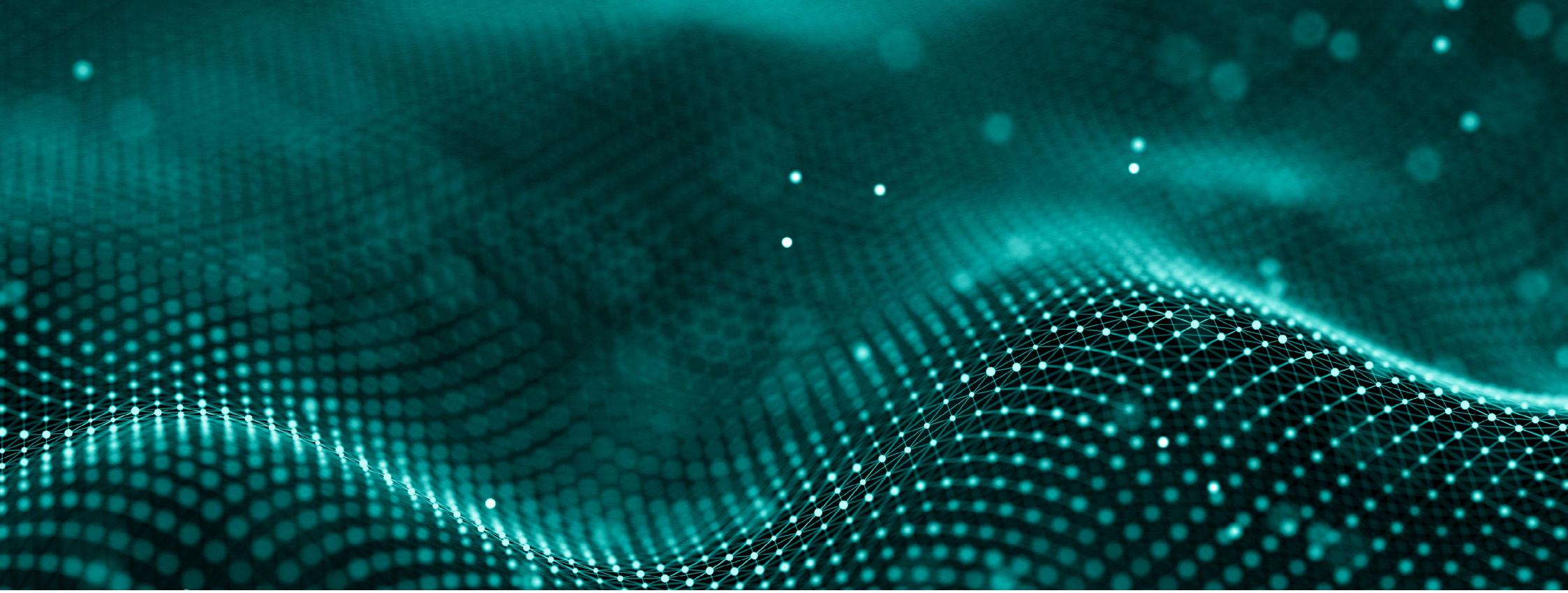
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