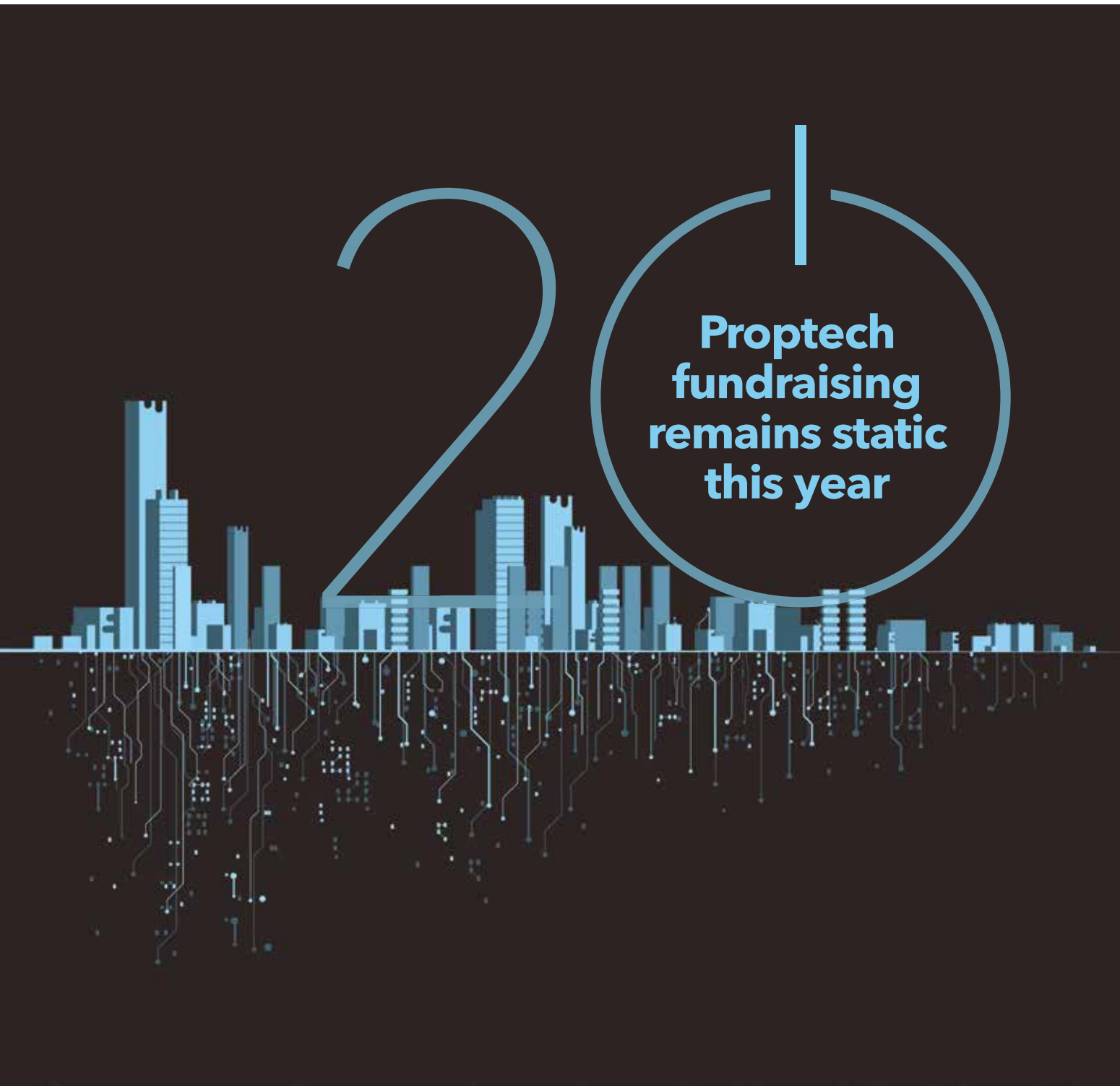
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KEYNOTE INTERVIEW

# AI is revolutionizing investment accounting





*Investment accounting has its own particular challenges when it comes to AI, but the use cases are many, say CBRE's John Little and Katie Nelson*

Artificial intelligence is opening up new possibilities in real estate fund accounting, from automating data extraction and financial reporting to improving investor services. But with fund administrators handling complex financial information where even small errors can have significant consequences, adoption requires more than identifying promising applications.

John Little, managing director and global head of client development, and Katie Nelson, managing director and global head of digital business operations at CBRE Investment Accounting & Reporting, discuss where AI is delivering practical benefits, the challenges of implementation and why governance and human oversight remain essential.

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**Q How important is cost efficiency in AI adoption across real estate investing?**

**John Little:** Cost efficiency is a key driver of AI adoption, and it benefits both us and our clients. We have embedded AI across a range of functions for several years, including treasury and accounts payable, and we can measure the efficiency gains it has delivered. Tremendous opportunities have opened across the whole of fund administration, from data extraction and vendor setup to investor reporting, NAV production and property-level reviews, and our next wave of AI tooling is built to capture them.

Cost efficiency is only part of the picture, though. AI also helps us deliver a higher-quality product to our clients and their investors, with faster turnaround times and less review required from clients. It also makes the work more rewarding, which helps us retain and develop talent. The result is a better experience for everyone involved.

**Q What are the key challenges in utilizing technology to deliver that quality product?**

**Katie Nelson:** One of the biggest challenges is keeping pace with the speed of tech innovation while

ensuring we are applying it in ways that deliver meaningful business value. We operate across a complex ecosystem of systems, processes and teams, each with different needs and opportunities for innovation.

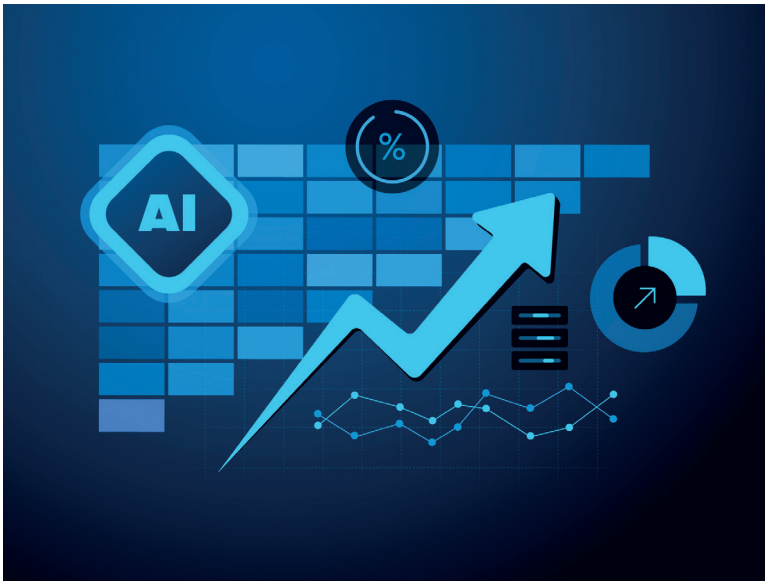
We have made significant investments in our data infrastructure, which gives us a strong foundation to build upon. Therefore, the challenge increasingly becomes less about access to technology or data and more about locating the right opportunities, connecting innovation that is happening across the organization and driving consistent adoption.

### Q How important are data sourcing and quality when implementing AI solutions?

**KN:** Data sourcing and quality are incredibly important, especially as we look to do more with AI. I think we are in a pretty fortunate position. Across the investment management industry, data is often spread across multiple systems and platforms, and simply understanding where it all resides, much less bringing it together, can be a significant challenge.

CBRE has been a Yardi client for more than 20 years, so much of our core operational and financial data has been centralized for a long time. That has given us an advantage as we have continued to build out our data warehouse. We have a much clearer picture of where our data resides, and we have been able to establish ongoing processes to monitor its quality, identify inconsistencies and address issues at the source.

**JL:** Data quality is everything, and in our industry, accuracy is paramount. We take in large volumes of data from property managers and joint venture partners, and we consolidate it into the financial and commercial reporting our clients rely on. Every net asset value we report to a client's end investors rests on that data, and even a few basis points of error is unacceptable. AI is only as good as the data behind it, and poor-quality inputs produce poor-quality outputs. That is why we treat data governance as the foundation of any AI deployment, with clear ownership, documented controls and validation at every point where data enters or moves through our process.




### Q Which AI use cases are currently delivering the most measurable business value in the market?

**JL:** We use AI extensively, from document and data extraction to financial data review, and we track the results in automation rates and turnaround times. In treasury, AI-enabled applications have been part of our processes for some time. In invoice coding and accounts payable, the large majority of invoices are now coded automatically, and the time spent on coding has fallen substantially. In investor reporting, we use AI to complete custom investor questionnaires, sourcing information from multiple systems and applying it to client-specific templates, which has shortened response times.

**KN:** Across our business, we are seeing AI used broadly for day-to-day productivity, whether financial validations, variance commentary or other routine activities. Those efficiencies are meaningful, but they are only part of the opportunity. We have spent a lot of time evaluating where AI can have the greatest impact and we are now moving from individual use cases into larger cross-functional initiatives.

Take financial statement production, for example. It is not simply about generating a report. It is a complex process involving multiple systems, teams, reconciliations, validations and layers of review. The opportunity is to apply agent capabilities across that broader workflow, managing dependencies, identifying and resolving exceptions where appropriate, and bringing people into the process where judgment or approval is required.

AI is already helping us review and consolidate that data faster and more accurately, and as its capabilities advance, we can go considerably further. That matters in a competitive market, and it works best when AI implementation is led with functional expertise rather than driven solely from

the top down. The people closest to the work understand where the risks sit and where the opportunity is greatest.

**Q How else can industry participants differentiate themselves in an increasingly competitive market?**

**KN:** I think organizations that embraced AI early have an advantage, but the size and scale of a business can clearly lead to an even greater advantage.

When you operate across multiple geographies, business lines and client segments, you are exposed to a much broader range of challenges, ideas and opportunities for innovation.

That breadth of experience allows us to identify opportunities more quickly, experiment with different approaches and apply what we are learning in one part of the business to other parts of the business.

We have proofs of concept and projects underway across the organization, often running in parallel, which creates tremendous opportunities to share ideas, accelerate development and, ultimately, bring more innovative solutions to our clients.

**JL:** Demonstrating what works is the clearest differentiator. Plenty of ideas sound compelling in theory, but clients gain confidence from use cases that are already running in live environments and delivering results they can see. Proven applications carry far more weight than ambitious concepts.

Creativity is the second. The greatest value comes from thinking imaginatively about how AI-driven solutions can address the specific challenges our clients face, and from building them around their funds, structures and reporting needs.

Equipping people with the right AI tools is the third. Our employees have far more at their fingertips than they did even a year ago, and that has a direct effect on the quality and speed of what we deliver to clients.

*"The gains are greatest when AI is applied deliberately and the quality of the output is protected"*

**JOHN LITTLE**

*"Data sourcing and quality are incredibly important, especially as we look to do more with AI"*

**KATIE NELSON**

Governance is the fourth. The opportunity is substantial, and a strong governance framework is what allows you to capture it. Having the compliance infrastructure, controls and oversight in place, and a firm commitment to responsible AI use, means new use cases can be implemented with confidence and at pace. As AI use grows, that discipline becomes more important.

**Q What other AI developments are you excited about in the future?**

**KN:** I am probably a little more selective than most when it comes to getting excited about emerging technology. There is no shortage of new models, capabilities and start-ups entering the market, but I tend to get more excited about what they can deliver versus what they promise to do. At our scale, we have to be thoughtful about where we invest our time and resources, and I am much more interested in what we can realistically put to work than the new shiny object.

Some of the developments I am most interested in are coming from our existing technology partners. Yardi Virtuoso is a great example. We have already done a lot of work around making our data more accessible and useful. What interests me about Virtuoso is what it could allow us to do with that foundation, whether that is interacting with data in real time, getting answers to questions or having agents take action within the systems our teams and clients already use.

We have already made significant investments in how we leverage and deliver data to our clients. What excites me about these developments is the opportunity to take that a step further, bringing insights and actions together directly within the systems that we are using to service our clients every day.

**JL:** I am really excited about the opportunities AI brings across fund administration. Some of the biggest examples we are addressing at CBRE include financial and investor reporting, from report production and validation to investor, regulatory and tax reporting.

We also see significant potential in payments and cash operations, in acquisition and disposition support, in debt tracking and monitoring, and in fund, entity and investor onboarding. Many of these build on work already running in our business, and the opportunity across each is substantial. ■