

LOCALE<sup>o</sup>

# Fundamentals of technology in real estate

May 2024



# Introduction from the CEO



Guy Windsor-Lewis, Chief Executive and founder, Locale

The excitement around Artificial Intelligence seems to be rising to frothier heights every day, especially as the conversation moves away from just ChatGPT to its potential to revolutionise entire industries.

The fact that AI could improve medical diagnosis, identify potential national security threats more quickly, and drive our cars for us, is jaw-dropping, but there are also significant concerns—in areas including education, intellectual property, and privacy.

Despite the inevitability of AI revolutionising every facet of society in the coming years, the significant headlines around AI and the fact that 92% of our UK adults are internet users (1), our poll unearthed a surprising truth: the general grasp on AI amongst UK adults is very low. Up until now, research has shown that many of us fear AI but this shines a new light and takes this a step further in highlighting the fact that so few of us understand AI and its true potential.

According to the survey undertaken by pollster Opinium of 2,000 UK adults, fewer than one in ten (9%) UK adults claimed to have full knowledge of what AI is and when asked to correctly define AI, almost two-fifths (38%) could not.

A significant 33% of respondents fail to see the impact of AI in daily life, including 18% who haven't noticed it anywhere and 15% who don't know. Meanwhile a mere 9% acknowledged noticing its presence significantly. Unexpectedly, fewer than two-fifths (37%) are aware of AI's integration in certain aspects of daily life.

However, when including specialised industries, a substantial two-thirds (67%) of individuals do recognise AI's impact in daily life.

## Fewer than one in ten (9%) UK adults claimed to have full knowledge of what AI is

### A stark generational divide

Younger generations comprehensively outshine their elders in AI comprehension. Among respondents over 55 years, a substantial 75% lack any depth of understanding. The knowledge gap extends to the 34-54 age group, with 57% feeling adrift and only a third (34%) reporting they know a lot about it.

Yet, amidst this uncertainty, almost two-thirds (61%) of those aged 18-34 shine with confidence or familiarity in AI's complexities, painting a vivid picture of generational divergence in understanding.

### Trust in AI's capabilities - a blend of confidence and scepticism

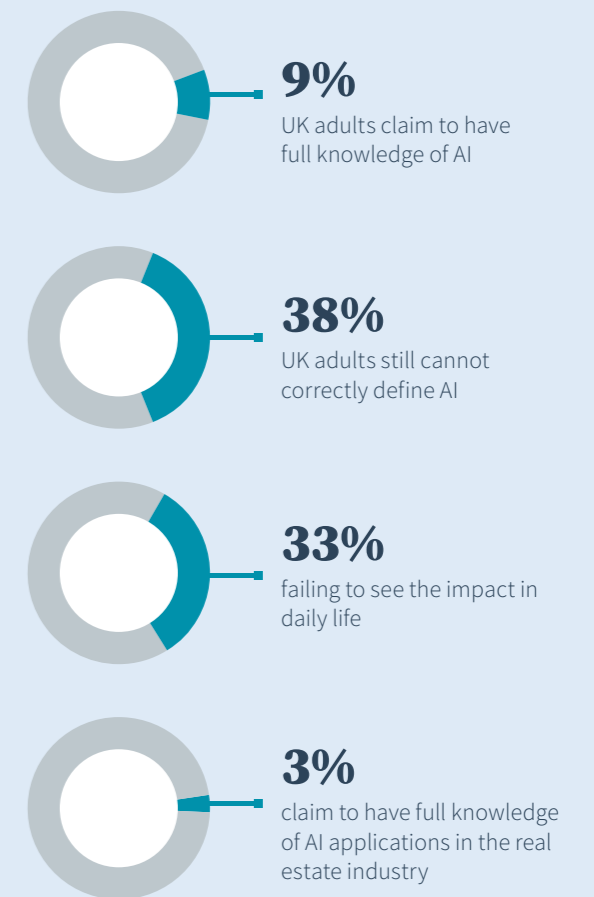
In arenas perceived as lower risk, there exists a prevailing trust in AI. Notably, over a third of respondents (36%) – the most of any specific life activity – trust in AI's aptitude for capturing personalised entertainment recommendations, acknowledging its capacity to enrich leisure pursuits. Similarly, a significant proportion (33%) trust AI to refine customer service interactions.

However, within specific domains, scepticism persists. A noteworthy two-fifths (41%) exhibit doubt regarding AI's competency in diagnosing health ailments, underscoring the indispensable role of human expertise in healthcare contexts. Likewise, the prospect of AI assuming control in vehicular operations elicits heightened distrust, with a significant 56% expressing wariness in surrendering authority to artificial intelligence.

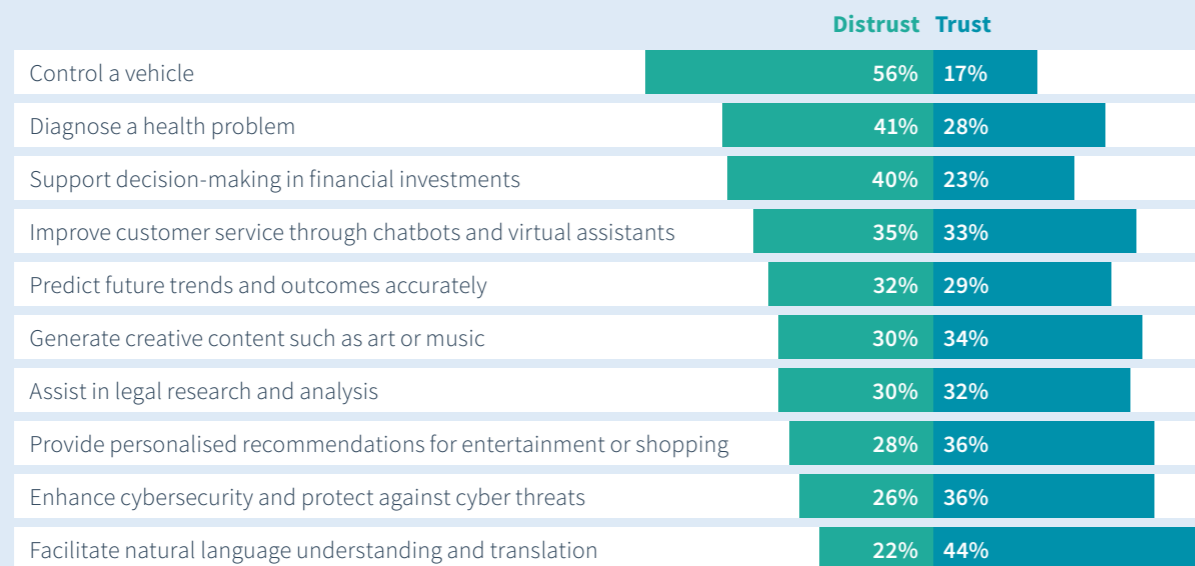
### Notable lack of awareness regarding AI's integration within the real estate sector

Contrary to popular belief, the integration of AI into the real estate sector is not unfolding at breakneck speed. This absence of cognisance is particularly striking, with a meagre 3% of UK adults professing to possess comprehensive knowledge concerning AI's multifaceted applications within the real estate sector, and a substantial 71% of respondents indicating their unfamiliarity with AI's involvement in real estate operations.

2,000 UK adults were surveyed in April 2024 by pollster, Opinium



### UK adults least trusting of AI to control a vehicle



Among those surveyed, only 14% reported a limited acquaintance with AI's utilisation within the real estate domain, while an additional 12% expressed a more substantial degree of familiarity, albeit without detailing insights into its specific applications.

#### Let's get the basics right

Despite recent claims that AI is expected to reach expert levels in months (2), we have to accept that AI remains in its nascent stages. This becomes imperative for transitioning businesses to prioritise the foundational aspects of technology.

According to a 2022 survey (3), 40% of respondents considered that low digital intensity businesses in the United Kingdom (UK) were not using digital technology because it was unlikely to make a significant difference.

And while the potential for AI to revolutionise various aspects of property management and occupier experience is undeniable, its implementation needs to be a gradual and iterative process.

This measured approach is not a cause for alarm but rather a testament to the nuanced complexities of our industry.

Indeed, the deliberate pace of AI integration is not inherently negative; rather, it reflects a conscientious commitment to ensuring that technological advancements align with the evolving needs and preferences of building occupiers and users.

PropTech, as a sector, has always recognised the intrinsic value of human consideration in shaping the built environment. So while AI undoubtedly offers unprecedented efficiencies and insights, its successful integration hinges upon a delicate balance between technological innovation and human-centric design.

In a world increasingly shaped by algorithms and automation, the enduring importance of human empathy, creativity, and intuition cannot be overstated.

By fortifying our understanding and proficiency in these fundamentals and ensuring these are easily accessible and can be used easily, we will establish a robust framework necessary for effectively harnessing and managing the potential of AI as it continues to evolve.

*Guy Windsor-Lewis*

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- [www.ons.gov.uk/businessindustryandtrade/itandinternetindustry](http://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry)
- [www.forbes.com/sites/forbesbooksauthors/2023/05/18/the-rise-of-ai-in-the-workplace](http://www.forbes.com/sites/forbesbooksauthors/2023/05/18/the-rise-of-ai-in-the-workplace)
- [www.statista.com/statistics/1398121/impediments-to-digital-technology-use-by-low-digital-intensity-businesses-uk](http://www.statista.com/statistics/1398121/impediments-to-digital-technology-use-by-low-digital-intensity-businesses-uk)

# Fundamental real estate technology

At Locale, we have carefully considered how technology is being used in real estate and developed a suite of tools and services that ensure the operational foundations for any real estate are covered.

## The occupier experience platform creating connected communities

### Bespoke content streaming

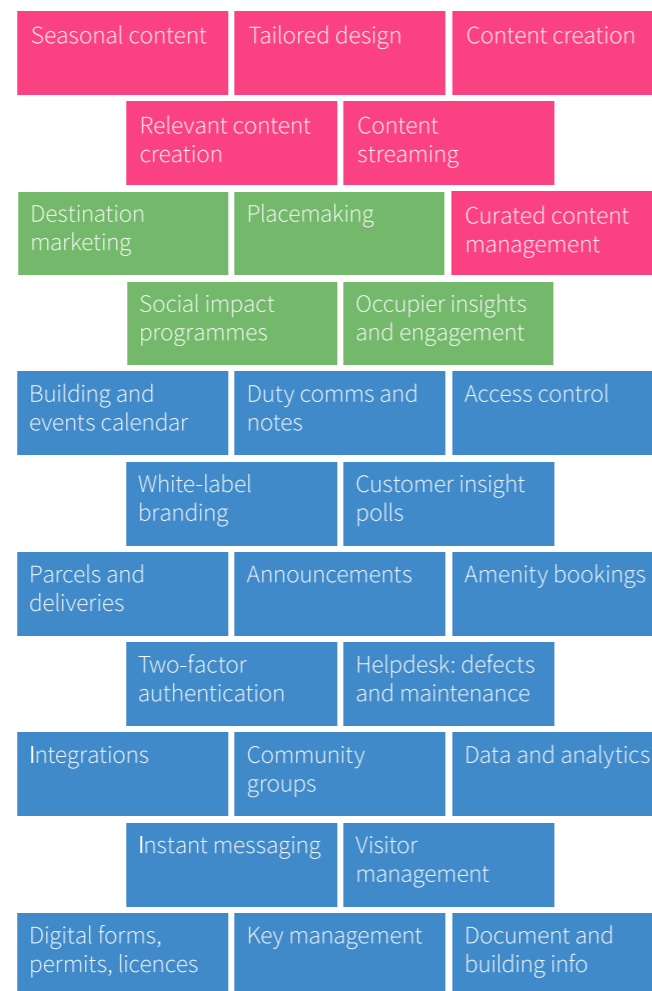
Dynamic bespoke content for timely and effortless occupier communication and engagement

### Creating communities

Connecting people with the spaces they share

### Operational real estate

Streamline your building operations with our seamless platform



As reported in our H2 2023 PropTech Perspectives Report, ensuring operational efficiency is paramount especially as occupier expectations continue to change. The data also proves that once the fundamentals are implemented properly, they tend to be embraced and used fully.

With people now expecting access to information and services on-demand, technology needs to be weaved through every touchpoint in the customer journey, providing personalised, relevant information.

In the second half of 2023, there was a 23% year-on-year surge in the volume of announcements posted through our system.

This is also demonstrated by annual year-on-year growth across Locale's functionality modules, with increases including a 33% increase in activity for digital forms, permits, and licences, a 28% increase in activity for key management, and a 25% increase for reactive helpdesk management.



Download our [H2 2023 PropTech Perspectives Report](#)

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Let's collaborate and champion tech equity and master tech fundamentals in real estate.

We are keen to hear from you on this theme.



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