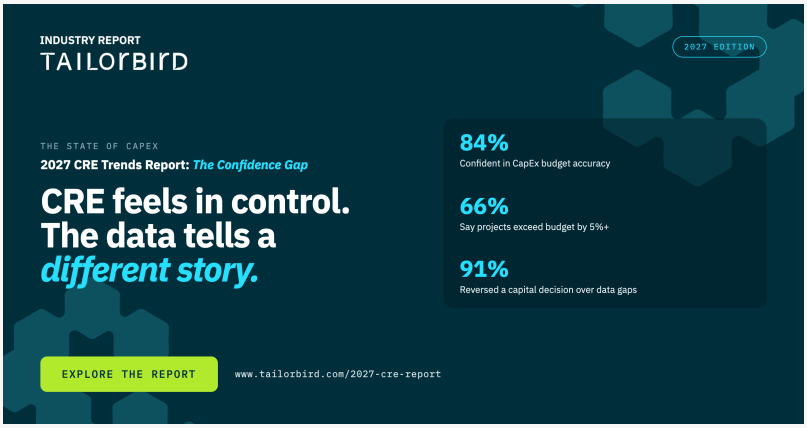
CRE Is Racing Toward AI, New Research Suggests the Industry Is Thinking About It Wrong

Tailorbird's 2027 CRE Trends Report finds growing pressure to adopt AI while fragmented data and workflows expose a larger challenge for capital management



Tailorbird Research: 2027 CRE Trends Report

PRINCETON, NJ, UNITED STATES, September 10, 2026 / EINPresswire.com/ -- Commercial real estate is racing toward AI. But new research from Tailorbird suggests the industry may be thinking too narrowly about what it will take to realize its potential.

According to The Confidence Gap: Tailorbird's 2027 CRE Trends Report, 78% of CRE leaders report moderate or significant pressure from investors, boards, or LPs to adopt AI or automation in capital planning and execution. And 62% say their organizations are ready today or expect to be ready for agentic AI within 11 months.

> The real opportunity for AI is closing that feedback loop. Every completed project should make the next capital plan smarter."
>
> *Tim Cantwell, CEO of Tailorbird*

Yet the infrastructure AI will inherit tells a different story. Nearly half of respondents cite bad starting data as a leading cause of CapEx budget variance. The average CapEx project touches 5.1 systems, and for 65% of organizations, budget approval triggers a manual handoff or an entirely new tracking process. Just 1.6% describe their CapEx technology environment as fully integrated.

The findings suggest CRE may need to broaden the AI conversation. Rather than asking where AI can be added to existing workflows, the bigger opportunity may be connecting the intelligence, decisions, people, workflows, and execution that make up the capital lifecycle.

HIGH CONFIDENCE, UNPREDICTABLE OUTCOMES

The research found high confidence at the point capital decisions are made. 84% of respondents are confident in the accuracy of their CapEx budgets when approved. Yet nearly 40% say completed projects typically exceed budget by more than 10%.

Variance itself is not unusual. Capital projects encounter changing conditions, evolving scopes, market fluctuations, and shifting priorities. But maintaining visibility as those changes occur remains difficult.

91% of respondents say incomplete, delayed, or siloed CapEx information has caused their organization to revise or reverse a capital allocation decision within the past two years. Nearly half say it has happened more than once.

And the problem can begin before execution. 49.7% cite bad starting data as a leading cause of budget variance, ahead of scope surprises, coordination and decision failures, market and cost volatility, and planning or governance gaps.

“CRE teams start the year confident in their capital plans. Then those plans meet reality. Costs change, scopes change, and teams learn more about the asset through execution,” said Tim Cantwell, CEO of Tailorbird. “The real opportunity for AI is closing that feedback loop. Every completed project should make the next capital plan smarter.”

AI RAISES THE STAKES

Early AI adoption provides a glimpse of what organizations will need to address. 98% of respondents who have piloted or deployed AI or automation experienced at least one initiative that fell short. Leading reasons included insufficient ROI, too much manual work, low adoption or trust, integration challenges, and poor or insufficient data.

The takeaway isn't that CRE should slow down its adoption of AI. It may need to think bigger about what AI readiness means.

AI needs reliable intelligence about the asset. It needs context behind capital decisions and visibility into what changes during execution. And if it is going to improve future decisions, it needs to learn from actual costs, scope changes, timelines, and outcomes.

The question isn't simply whether AI can make an individual workflow more efficient. It's whether intelligence can move across the entire capital lifecycle and make the next decision better.

FROM AI AUTOMATION TO CAPEX ORCHESTRATION

CRE leaders are already asking for many of the capabilities required to create that connected

lifecycle. Respondents identified better CapEx and property management system integration, stronger benchmarking, predictive lifecycle intelligence, verified property condition data, real-time spend visibility, and connected planning-to-execution workflows among their priorities.

Taken individually, these are technology priorities. Taken together, they describe an orchestrated capital lifecycle. As CRE moves toward increasingly autonomous AI, that connection may matter as much as the intelligence of the technology itself.

What if the biggest barrier to AI isn't the AI, but the operating model we're asking it to work within?

The Confidence Gap: 2027 CRE Trends Report is based on independent research conducted by Censuswide among 306 U.S.-based CRE decisionmakers and senior operators.

Read The Confidence Gap: 2027 CRE Trends Report: https://hubs.ly/Q04x5KVt0

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