

## Testing AI predictions against market realities: Newsec Property Outlook sheds light on AI potential in real estate forecasting

**Newsec has undertaken an in-depth analysis of artificial intelligence (AI) in real estate forecasting. Collaborating with ChatGPT-4, an advanced AI model, Newsec sought to evaluate AI's efficacy in predicting property transaction volumes and policy rates across the Nordic and Baltic regions.**

The real estate industry faces a transformative era driven by rapid advancements in AI and digitalization. Navigating a complex landscape of modern technologies, unexpected world events and an uncertain macroeconomic landscape, the sector is increasingly acknowledging the critical role of AI and digitalization. It's not just a strategic choice anymore; it's a necessity for staying ahead of competition. The spring edition of Newsec Property Outlook explores the transformative power of AI, as a vital tool and partner in professional lives.

*"Integrating AI's analytical power with the understanding and strategic foresight that experienced professionals can offer is essential for making successful decisions. Our report highlights the importance of complementing AI-driven insights with human expertise in real estate decision-making. While AI offers valuable data-driven insights, we need human based analysis capturing the dynamics and unforeseen variables in real estate markets. The combination of the two is the way forward"* says **Max Barclay Head of Advisory and Deputy CEO, Newsec.**

The report examines the intersection of AI predictions and investment decisions, emphasizing the need for context-aware analysis. In one instance, ChatGPT recommended the logistics segment for investment based on e-commerce growth trends but failed to consider stagnating e-commerce rates in the Nordics and Baltics, which would be crucial information for an investor considering the logistics segment. This underscores the necessity of human interaction in assessing market nuances and identifying emerging opportunities.

Demonstrating the value of human-led analysis in uncovering market opportunities, Newsec conducted a comparative analysis of logistics and light industrial spaces, revealing potential in the light industrial sector. With the rise of green industrialization and escalating demand for sustainable energy solutions, as well as a lack of new production of light industrial space, Newsec identifies this segment as a promising investment avenue.

*"As we enter 2024, Newsec advocates for an approach that combines AI insights with industry expertise. By harnessing AI's analytical capabilities alongside human insights, investors can navigate the complexities of the real estate market more effectively, positioning themselves for success amidst evolving market dynamics"* says **Max Barclay Head of Advisory and Deputy CEO, Newsec.**

Looking ahead, Newsec anticipates 2024 to signal a resurgence in the real estate sector, marked by growth and transformation. Prepared with both AI insights and human expertise, Newsec stands ready to guide investors through the opportunities and challenges of the evolving real estate landscape, facilitating informed decision-making and sustainable growth.

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#### **Image Attachments**

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