

By SULAIMAN SAHEH

Artificial intelligence (AI) is rapidly transforming the way professionals across various industries access information, analyse data and make decisions. In Malaysia, the government is entering a new phase of its AI agenda by shifting its focus from building digital infrastructure to accelerating AI adoption across businesses, public services and everyday professional practice. This national push is aimed at strengthening productivity, enhancing economic competitiveness and increasing the digital economy's contribution to gross domestic product (GDP).

With the National AI Office set to be institutionalised as the central body coordinating AI strategy and governance in July 2026, AI is expected to become increasingly embedded across industries, including real estate. From property valuation and investment analysis to customer engagement and management of buildings, AI is offering new levels of speed, efficiency and analytical capability. While these technological advancements present significant opportunities, it is also important to appreciate the intrinsic workings of AI-generated solutions and the different contexts where it flourishes and where caution is due, especially with the early stages of AI adoption in uncharted territories. This is where one has to closely examine the continuing role of human expertise, professional judgment and critical thinking, particularly when it comes to deriving decisions for implementation in the reality of real estate investments and developments.

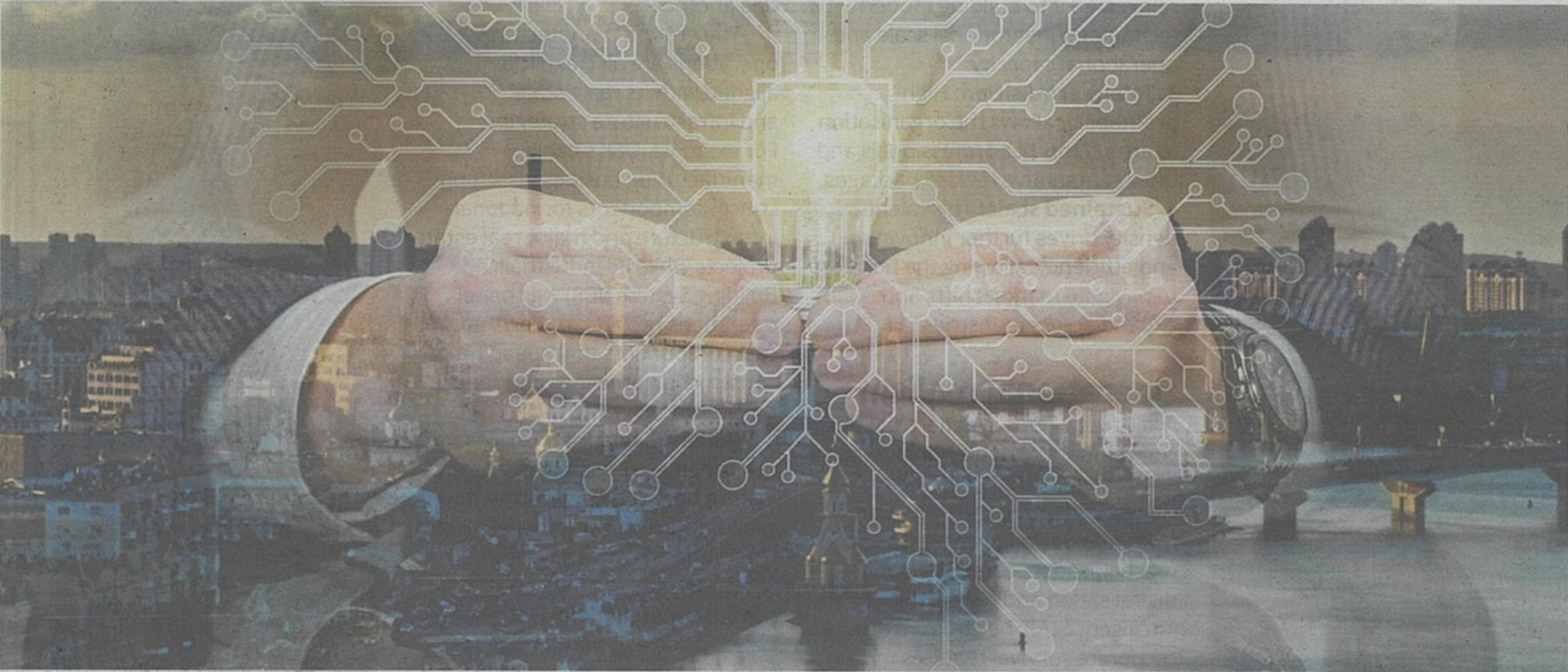
Why the excitement?

One of the reasons AI has generated so much excitement is its ability to process vast amounts of information in a fraction of the time required by humans. The real estate sector produces enormous volumes of data every day. Transaction records, rental rates, occupancy levels, demographic trends, economic indicators and development pipelines all contribute to a complex and constantly evolving market environment. AI systems can rapidly analyse these datasets, identify patterns and generate insights that would otherwise require considerable time and effort. For real estate professionals, this translates into greater efficiency, faster decision-making and improved productivity.

AI can also help reduce human errors in repetitive administrative tasks. Data entry, report generation, document review and customer enquiries can be streamlined through AI-powered tools. In a market where speed often matters, such efficiency gains can enhance service quality and allow practitioners to focus on higher-value activities. Property agencies can use AI-driven chatbots to respond to customer enquiries around the clock while researchers

Human judgment still matters in real estate

AI speeds and eases workload but not infallible



and analysts can leverage AI to identify emerging market trends and produce preliminary assessments more quickly than before.

AI's greatest weakness

Despite its impressive capabilities, AI is far from infallible. One of its greatest weaknesses lies in its dependence on data quality, programming transparency and user instructions or prompts. An AI system can only produce results based on the information it is given. If the data is incomplete, outdated, inaccurate or biased, the resulting analysis may also be flawed. This is particularly relevant in the real estate industry where data quality varies significantly across locations and market segments. In Malaysia, while transparency has improved over the years, certain market information remains fragmented or unavailable. Not all property transactions, buyer motivations or local market dynamics can be fully captured in databases. As a result, AI-generated conclusions may not always reflect the realities on the ground.

Furthermore, real estate is not solely a numbers-driven industry. Property decisions are influenced by factors that are often difficult to quantify. Human emotions, cultural preferences, community perceptions, lifestyle considerations and personal circumstances frequently shape purchasing decisions. A neighbourhood's reputation, the quality of nearby schools, accessibility to places of worship, future infrastructure developments and local community characteristics may significantly affect property values and buyer behaviour. While AI can identify statistical correlations, it may struggle to understand the nuances

that experienced practitioners recognise through years of market exposure and local knowledge.

Challenges in diversity

This limitation is particularly relevant in Malaysia's diverse property landscape. Market behaviour in central Kuala Lumpur may differ substantially from Johor Bahru, Chemor or other cities and towns across the nation. Even within the same city, two seemingly similar developments may perform differently due to factors that are not immediately visible in historical datasets. Local market sentiment, developer reputation, community demographics and buyer confidence often play a larger role than many analytical models can adequately capture. Though there had been increased efforts for data gathering and quantification of sociological parameters, human professionals are often needed to interpret these subtleties and place data within its proper context.

Another concern that deserves attention is the growing tendency to place excessive trust in AI-generated outputs. Modern AI systems are capable of producing reports, analyses and recommendations that appear highly convincing. However, confidence should not be mistaken for accuracy. AI can generate information that sounds plausible but is factually inaccurate, incomplete or unsupported by reliable evidence. In recent years, this phenomenon has become widely recognised as one of the major limitations of generative AI technologies. If users fail to verify the information provided, there is a risk that inaccurate assumptions may be incorporated into important business decisions.

Perhaps the more subtle and potentially dangerous consequence

of heavy AI reliance is its impact on human critical thinking. Professional competence is built not only on knowledge but also on the ability to question, evaluate and challenge information. In the practice of real estate professional advisory services, practitioners are expected to assess the reliability of data, identify anomalies and consider alternative interpretations before arriving at conclusions. When AI becomes the primary source of analysis, there is a risk that practitioners may gradually become less inclined to exercise independent judgments.

Over time, excessive dependence on AI may encourage a culture of passive acceptance rather than active inquiry. Instead of asking whether the data is complete, whether assumptions are reasonable or whether alternative explanations exist, individuals may simply accept AI-generated outputs at face value. This phenomenon can lead to what may be described as automation bias or even an epistemic complacency where users consciously or unconsciously choose not to scrutinise information because doing so requires additional effort. In such situations, errors may go undetected not because the technology failed but because humans failed to critically evaluate the technology's conclusions.

The human touch

The human element remains one of the most valuable aspects of professional real estate practice. Property transactions are among the most significant financial decisions many individuals will make during their lifetime. Buyers, sellers, investors and occupiers often seek more than just information; they seek reassurance, guidance

and professional judgment. Trust is built through relationships, communication and credibility. These qualities cannot be replicated by algorithms alone.

A professional – be it in real estate or any other industry – does more than analyse data. They interpret market conditions, assess risks, consider broader economic implications and provide recommendations that account for unique circumstances. Experience enables professionals to recognise emerging patterns before they become visible in historical datasets. Judgment allows them to balance quantitative analysis with qualitative considerations. Ethics guide them in acting responsibly when data alone may not provide clear answers. These are inherently human capabilities that remain essential and relevant while being complemented by the technological advancements seen in AI and other technologies.

There is little doubt that AI will continue to evolve and become more sophisticated in the years ahead. But as the real estate industry embraces digital transformation, we must remain mindful that technology is a tool, not a substitute for expertise and the responsibility for making informed decisions must continue to rest with qualified and trained professionals who must continue to learn, unlearn and relearn as technology evolves, rather than blindly relying solely on artificial intelligence programmes.



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