

Built to Predict: How AI Is Revolutionizing Real Estate

Valuation transparency, digital contracts, and the financing of data centers

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What if a lease's rent-reset clause could become an input to a smart contract, rather than a line someone must recheck? AI can extract rent resets and renewal provisions; validation and legal enforceability determine whether those terms can safely support automated execution. This connects AI and financial technology to the cash flows underlying property investment.

Sixteen propositions connect AI capabilities to property prices, credit terms, liquidity, and investment. The economic framework asks how information extracted from contracts, images, and operating records changes the financial decisions made about a property.

An accurate valuation can still be a black box. For a lender, an estimate supported by hundreds of comparable sales differs from one based on a handful. Can model explanations and quantified uncertainty change loan-to-value ratios or financing spreads? The paper examines transparency and reliability as financial attributes, alongside the risk that institutions using the same model make correlated errors.

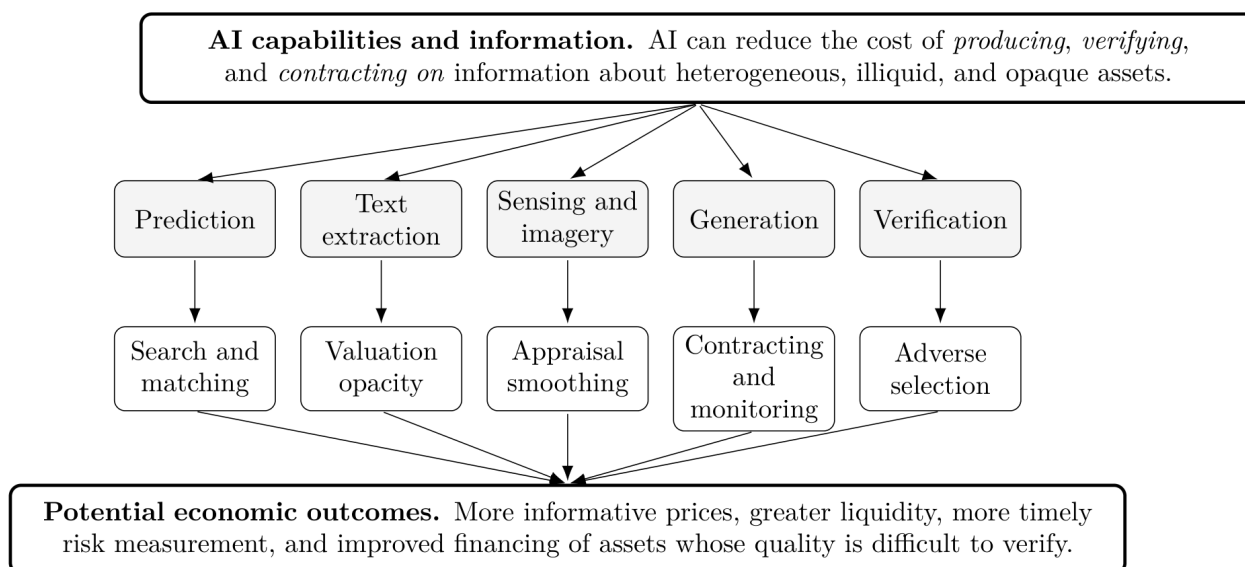
AI also needs a place to run. Data centers bring computing demand into land markets, but their value depends on more than square footage. Grid power, fiber connectivity, cooling capacity, water availability, and zoning approvals shape whether a site can operate at scale. These constraints make data centers a distinctive investment problem and can put development plans in tension with local infrastructure priorities.

The agenda asks how power-access delays affect capitalization rates and financing, whether verified operating data support securitization, and how compute hubs influence surrounding land values. These questions connect an expanding asset class to underwriting, planning, and capital allocation. Proposition 10 on the next page illustrates the approach.

The same framework extends to green finance and tokenized ownership. Does validated building telemetry improve lending terms? Do blockchain-based property claims trade more readily where the underlying rights are enforceable? Each question has a proposed empirical comparison, so the financial promise can be assessed against transactions and contract terms.

Research illustrations

AI capabilities and financial outcomes



The framework connects AI capabilities to familiar economic frictions and financial outcomes. It provides a basis for testing how information quality, incentives, and market institutions shape the gains from adoption.

The investment question behind data centers

Proposition 10. *Data-center capitalization rates reflect power availability and connection delays in addition to conventional location characteristics.*

This proposition makes power access a testable investment question: do connection constraints help explain data-center yields after accounting for location? It links transaction data and utility records to a concrete valuation problem.

Source

Rouxelin, F. (2026). Built to Predict: How AI Is Revolutionizing Real Estate. Research manuscript, Florida International University. Figure 1 (PDF p. 5) and Proposition 10 (PDF p. 17). The proposition is reproduced verbatim in a compact layout.

The full paper develops sixteen propositions across five areas and identifies candidate data and empirical approaches for testing them. The accompanying manuscript contains the complete references.