



Expediting the process - artificial intelligence's future impact on Long Island commercial real estate - by Erik Snipas

July 11, 2023 - Long Island



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Artificial Intelligence (“AI”) is poised to revolutionize the commercial real estate market. As AI becomes more advanced, the commercial real estate market on Long Island will see dramatic changes in the way real estate investors purchase, sell, evaluate, and develop properties. From enhancing property searches and due diligence to navigating through planning and environmental review, the potential capabilities of AI should be closely monitored by any real estate investor.

Often the most difficult component of commercial real estate, AI-powered algorithms have and will continue to revolutionize the acquisition and due diligence processes. Commercial real estate buyers can benefit from intelligent recommendation systems that consider their preferences, budgets, and requirements to provide tailored property suggestions. AI technologies have the ability to analyze vast amounts of data, including historical sales data, neighborhood information, as well as demographic and competitor trends. With a data-driven recommendation from the AI-algorithm, buyers, sellers, and brokers will enjoy a more streamlined process.

AI also allows real estate professionals to more precisely assess property values. An AI algorithm can quickly and accurately analyze factors such as location, market trends, property features, zoning, and other encumbrances which may impact value. This provides sellers and buyers with the data needed to negotiate the terms of the transaction.

On the commercial development side, AI offers a host of capabilities to shorten the planning review process. AI-algorithms can review plans and instantaneously compare the plans to local and state codes to identify required variances and deficiencies. With AI systems in place, the lengthy review time needed to review plans and issue comments is virtually eliminated allowing plans to be processed quickly by the local municipality and get shovels in the ground.

Moreover, as any New York developer is aware, the approving agency must review projects under the State Environmental Quality Review Act (SEQR). In many municipalities, the review process under SEQR accounts for the greatest lead time in securing land use approvals. AI systems can take data from parking and traffic studies, sound studies, air monitoring as required by a Community Air Monitoring Plan (CAMP), and onsite water management (e.g. VOCs, semivolatile organic compounds, polychlorinated biphenyls (PCBs), and metals), review it for accuracy and completeness, and make a recommendation as to the likelihood that a project will have a significant environmental impact. With AI, the entire SEQR review process can be completed in a fraction of the time.

While AI is still in its infancy stages and human oversight is still needed to ensure accuracy, AI has the potential to provide endless benefits to the commercial real estate industry.

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