IREM® From the Front Lines Podcast

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Bonus episode
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AI in Action: Exploring Yardi Virtuoso

Erin:
Welcome to another edition of From the Front Lines, where we discuss both the day-to-day, and one-of-a-kind issues facing real estate managers. In this episode, Joe Consolo, industry principal at Yardi, joins us to discuss how AI agents are transforming the world of property management. We'll dive into the capabilities of Yardi's AI platform, Virtuoso, and explore how it's helping operators work smarter and faster. To learn more about Yardi, visit yardi.com. Welcome to the podcast, Joe.

Joe:
Thank you, Erin. Great to be here.

Erin:
And first, what inspired Yardi to invest in AI and how has it become a core component of your technology vision?

Joe:
Yeah. So you Yardi views AI as the next technology that really is going to transform businesses. You know, we went from Internet, cloud, mobile, AI is kind of next. And I personally have not been this excited about new technology since that original iPhone was released back in 2007, and that has transformed our daily lives in more ways than we could have imagined back then. And so AI is going to do the same thing and it's becoming a core factor kind of in all of our future technology development. And we're always thinking about kind of AI first and as it relates to the functionality and products that we release.

Erin:
All right, great. That makes sense. And there's been a lot of buzz around AI agents. How does Yardi define an AI agent and what kind of tasks can they perform for real estate operators?

Joe:
Yeah. So AI agents, a lot of people will also say agentic AI agents and they're experts at performing repetitive tasks right now. And AI is still kind of new into the real estate industry and the technology is evolving. And so we're starting with simple tasks and then chaining agents together to perform entire business processes. So each agent does something very simple, chain them together, you can do something more complex. And this includes if you need a human in the loop, you can tie a human in any place where there may need to be a judgment call that AI might not be capable of making at this point. And as AI evolves, they might be able to handle that as well.

And in real estate, you know this can transform customer facing and back-office processes and tasks. You know, customer facing can be with things like searching for a property, leasing, renewals, maintenance requests and actions and then communication just for flat out communication with residents. In the back office, it's focused on process automation for accounting month end, maintenance, ARAP. You can even use it as an analyst. There's tons of applications for it. So we view AI agents kind of holistically helping real estate businesses.

Erin:
Okay great. That's awesome. And can you give us a high level overview of Yardi Virtuoso and how it differentiates itself from other AI platforms in the industry?

Joe:
Yes. So most companies developing AI solutions are kind of building them into their core products. They have very specific workflows. They work a specific way. It's kind of like a take it or leave it. It's: here's how we do things. And Yardi Virtuoso is differentiated by making it easy for our clients to adopt AI in a flexible way for their business. And we're doing things similar to our competition where we are building things into platforms with very specific workflows where that makes sense. But also we're the first real estate platform to fully adopt Model Context Protocol, or MCP for short. MCP is a standard by which you can expose large data sets like all Yardi data to large language models so that you can do things like build agents and even more like with our Virtuoso agent platform. We have built Virtuoso Marketplace which is similar to like the Apple App Store, the Google Play Store where you can go download AI agents that have been pre-developed by a community of developers to automate tasks in your environment that you want to focus on. So if you're working on a process improvement, you can go focus on finding AI agents that can help you there. And if you can't find one that meets your needs, we also give you Virtuoso Composer, which allows you to build your own custom AI agents. And so very flexible on how we can deploy AI and also making it easy by having these off-the-shelf AI agents things built into our products and Virtuoso Connectors is like an on-demand analyst where you can interact with your Yardi data conversationally through a large language model of your choice. And so anyway, we're doing a lot of things to differentiate ourselves and making it easy for our clients to adopt AI.

Erin:
Okay, great. And what are some practical examples of how AI agents powered by Virtuoso are helping multifamily operators improve efficiency or tenant satisfaction?

Joe:
Yeah. So I mentioned some areas previously where it can be deployed and and specifically I'll list a couple of how we're helping our clients. And so with our native AI solutions, where we built it into our products, we have things like our Chat IQ which is helping prospects, applicants, residents interact with the property 24/7, even when they don't have people on staff. So through chat or voice interfaces, getting faster responses, more real-time, helping with that overall communication, really shortening the amount of time it takes to lease a space. And we've seen dramatic reductions in vacancy and time to fill units, which is, you know, it goes right to the bottom line. Virtuoso Support is online help. You know, a lot of times at the property level there'll be high turnover or anytime you're bringing in somebody new into an organization, or even if you're an experienced person that hasn't done something for a while, as you're working within Yardi software, you have Virtuoso Support, which is online help that answers your questions. And by the way, as I mentioned earlier, AI is still evolving for some reason. If the support doesn't answer the question, we have live support on the back end that will answer the question with human handoffs. So where we have that

human in the loop. For paying invoices, we have Smart AP, which will automatically do all your data entry and coding of your invoices. We have Smart Approvals, which will allow you to set thresholds to automatically approve repetitive invoices that are taking your team time, but allow you to focus on maybe the 80/20 rule. 80% are repetitive and don't need a lot of review, but those 20% really need time and it allows your team to focus on those. And then with agents we're building month end close helpers and month end close is something every company has to do every single month and it takes them a lot of time and our goal is to reduce at least 80% of the time that it takes people to close their month and I can keep going, but like work order prioritization, et cetera. So tons of areas where we are helping our clients with their efficiency and tenant satisfaction.

Erin:
All right, sounds great. And how does Yardi ensure that AI agents are using data responsibly and securely, especially when assisting with leasing or resident interactions?

Joe:
Yeah. So we're all trying to protect all sensitive information all the time in the real estate industry because we do have to take that in and the current processes that our clients have to protect sensitive information are being maintained. And, a couple ways that we do that, number one, all the data that we're using exists in Yardi Tools. These are in the Yardi Cloud. So you have the stability and security of the natively in the Yardi cloud. And so nothing changes there. Also at the user level, there's a lot of concern about, well, can my users see things using AI that they shouldn't? And so with our solution we follow our user permissions and credential protocol. So employees can only have access to the functions and views that they see in properties. So and you know if people can't see anything resident related, they won't be able to get to it. And then also, another thing that you really have to focus on is when you're using AI, it's tied to a large language model like ChatGPT or Claude. And as you're using those models, I talk to a lot of clients and one of the advantages you get by working with a company with Yardi is you get a very broad view of the industry and I have seen where people are, I would say you know, casually using a private license and an individual license or a free version of these large language models. And when you do that, you're exposing your data to train the large language model and that could include PII. So you have to be really careful. And so our advice to companies is to use an enterprise license and to not use your data to train the large language model. And so Yardi does that exclusively is we have enterprise licenses that protect your data. And so we're doing a lot on the security side to make sure that your data stays your data.

Erin:
All right, makes sense. And how do you see AI agents complementing rather than replacing property management professionals?

Joe:
Yeah, so, you know, I mentioned these are kind of early days for AI in real estate. There's a lot of potential for AI, but it's not ready to take over the world and enslave the human race. We see AI here at Yardi, even when we look to a deployed internally to help us improve some of our processes is not as a replacement for people, but as an augmentation right now and you know, as companies plan to grow. You can use AI to free up time with your staff. So you know, let's say you double in size. You don't have to double your people. You know, it's a simple way to view it. And you know, most real estate companies have way more opportunities in front of them, whether it be to drive efficiency improvements or to drive growth, and they don't have time to get to all of them. So they constantly have to prioritize where they put their efforts. So if you can free up people from repetitive tasks, how can you deploy them to maybe expand into new markets, develop new

products and services, improve relationships with your residents? Those type of things, sure, there might be some companies that may say I'm going to reduce staff into free of costs, but there's also another way where humans can be redeployed to more productive things for the organization as well.

Erin:
Okay great. So, good to know that the robots aren't taking over quite yet. And looking ahead, what capabilities or innovations can the industry expect next from Yardi Virtuoso and AI in general?

Joe:
Yes. So I would say, you know, if you think about where AI is today, people in general are learning to trust AI. We like to say think big, but start small and as AI evolves and gets more consistent, AI agents are going to be way more impactful and have the ability to make decisions and so as AI evolves that way, I think automation becomes more impactful to businesses, more people can be freed up to be able to help in other areas of the business. And then as I mentioned before with Model Context Protocol and MCP, as more people in the real estate industry adopt this technology, you know, Yardi's really been the first to adopt this technology in real estate, and as more people adopt it, data connectivity between systems will become easier. And a lot of people have been spending a lot of time to bring all their data from all their systems into data lakes or in some kind of BI tool where they can get reporting and so on. I think MCP is the next evolution of that, where it's going to go beyond where BI is today and it's going to take it to an analyst level and especially allow you to connect all your data together from all your systems. And so Yardi is definitely going to be leading the charge there. And also, as companies develop more AI knowledge and expertise, they're going to be able to leverage more AI functionality to have a bigger impact on their business. And Yardi is investing heavily into AI. We are always looking for the cutting-edge technology in the market, leading the way there. And you know, I would say that, right now the sky's the limit with AI. We're only limited by the technology and creativity. And similar to that example that I was talking about early on with the iPhone came out almost 20 years ago. 20 years ago, we could have never imagined how it's changed our daily lives today. AI is going to be the same way 20 years from now. Heck, it might even be 10 years from now, but I would say it's going to have a huge impact on our businesses and Yardi's going to be leading the charge the whole way. So looking forward to that.

Erin:
All right, great. Thanks for joining us, Joe.

Joe:
Yeah, pleasure, Erin. Great to be here.

Erin:
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