

The Facilities Intelligence Bet

CBRE's AI is learning your building. JLL's Falcon covers 1.1B sq ft. When the FM contract ends, the model stays with them. Your data portability clause probably doesn't exist.

01

Background

Why AI is now standard in FM — and what governance gaps arrived with it

AI-Powered Facilities Management Is Already Deployed

- CBRE manages 2.1B sq ft globally and 360 Facility and successor AI platforms process occupancy, HVAC, energy, and maintenance data across the portfolio
- JLL Falcon AI: 1.1B sq ft under management, predictive maintenance, energy optimization, lease analytics and building AI is embedded in JLL's standard service delivery
- Johnson Controls OpenBlue: 500M+ sq ft across 70+ countries processes HVAC, lighting, access control, occupancy sensors through AI models
- Honeywell Forge Building Management and Siemens Desigo: comparable deployments across European and U.S. corporate campuses
- Documented results in mature deployments: 15-30% energy cost reduction, 15-25% maintenance cost reduction and the operational promise is real
- The governance gap: data ownership, GDPR Article 28 compliance, AI recommendation liability and none addressed in standard FM agreements predating 2023

Three Governance Gaps That Arrived With the AI

- Data ownership gap: AI model trained on 5 years of your building's operational data is owned by your FM provider – no portability clause means model stays with them at contract end
- GDPR Article 28 gap: occupancy sensor data, access control logs, desk utilization analytics are employee behavioral data – FM DPAs predating AI processing do not satisfy Article 28 requirements
- AI liability gap: FM agreements cap liability for service delivery failures – they were not written to allocate accountability for AI maintenance recommendations that precede adverse outcomes
- Most enterprises have not reviewed their FM data processing agreements since AI building analytics became standard practice (2022–2024)
- FM AI systems process employee data about your tenants – employees as well as your own – landlord-tenant data exposure is structurally different from occupier exposure and almost entirely unaddressed in current lease templates

The Data Lock-In Mechanics

- Year 1-2 FM AI deployment: generic models calibrated against your building type and geography
- Year 3-5: model learns your specific equipment configurations, maintenance patterns, occupancy behavior - predictions improve materially
- At contract end: successor FM provider initializes at zero - five years of building-specific calibration does not transfer under standard contract terms
- The accumulated intelligence is an asset built from your data - standard agreements assign ownership to the FM provider
- Switching cost is not just procurement friction - it is the operational accuracy gap between a mature deployment and a cold-start deployment during a transition period

Decision Required

Your FM contract renewal is approaching. The renewal conversation will be framed as service continuation. Three unresolved questions are embedded in it that the standard renewal process will not surface.

Who owns the operational intelligence built on your building data over the contract term? If you have not established data portability rights, the model trained on your data stays with your FM provider at contract end. This is a negotiating question. The renewal is the moment to resolve it.

Does your FM data processing agreement satisfy GDPR Article 28 for AI-processed occupancy data? The DPA your legal team approved when the FM contract was executed was almost certainly not written against AI processing requirements. The Article 28 gap is real and requires a formal amendment.

What is your FM provider's liability for an AI maintenance recommendation that precedes an adverse outcome? The limitation of liability clause in your FM agreement was written for service delivery failures. It does not clearly allocate accountability for AI recommendation accuracy.

Four Options

Option A

Renew FM contract under standard terms â€” no renegotiation of data provisions

Lowest friction. Data ownership, DPA compliance, and AI liability gaps persist. Renegotiation at contract end is more expensive and adversarial than renegotiation at renewal.

Option B

Recommended

Renegotiate data terms at renewal â€” add portability, DPA, and AI liability clauses before signing

Highest-leverage moment. FM providers at CBRE/JLL scale will negotiate for significant accounts. Requires raising the question before the contract is signed.

Option C

Deploy internal building intelligence â€” own the data platform, use FM providers for service delivery only

Maximum control. Platforms: Willow, Mapped, SpaceIQ. Significant internal investment. Right for large, stable portfolios with internal real estate technology capability.

Option D

Audit current data exposure before renewal â€” DPA compliance review and portability assessment first

Appropriate if current exposure is unclear. Produces the negotiating position for the renewal conversation. Delays renewal decision by 60â€”90 days.

Recommendation

Renegotiate data terms at the FM contract renewal — not after it. Add: data portability clause (format, timeline, model documentation at termination), GDPR Article 28-compliant DPA covering AI-processed occupancy data, AI recommendation liability clause defining the standard for FM provider obligations when a documented recommendation precedes an adverse outcome.

Commission an external Article 28 legal review before renewal — specifically covering sub-processor disclosure, occupancy data processing purposes, and return-or-deletion provisions at contract end. Budget for a DPA amendment alongside the renewal negotiation.

Document your AI recommendation review process: which maintenance deferral categories require human sign-off, what the escalation process is for safety-critical system recommendations, and how AI-informed decisions are logged in maintenance records.

Conduct a shadow AI audit of your facilities team. Building engineers and facilities managers are using general-purpose AI to interpret fault codes and analyze energy data through personal accounts. The governed FM platform is almost always preferable to the ungoverned alternative already present in your operations.

For landlords: commission a lease template review addressing tenant employee data processed by building AI. The exposure for landlords whose AI building systems process tenant employee data without disclosure in the tenant data chain is structurally unaddressed in current market practice.

Five Risks

1.

FM data lock-in â€” AI model trained on your building data stays with the provider at contract end

Five years of building-specific calibration does not transfer under standard contract terms. Successor FM provider starts cold. Switching cost includes operational accuracy gap during transition, not just procurement friction.

2.

GDPR Article 28 gap for AI-processed employee occupancy and access control data

Occupancy sensor, badge access, and desk utilization data are employee behavioral data under GDPR. FM DPAs predating AI processing of this data do not satisfy Article 28 requirements for sub-processor disclosure, processing purpose specification, or return-or-deletion provisions.

3.

AI maintenance recommendation liability: FM agreements were not written for this scenario

Standard FM liability caps cover service delivery failures. Accountability for AI-generated maintenance recommendations that precede adverse outcomes is not clearly allocated. The enterprise approved the deferral; the FM provider generated the recommendation; neither framework assigns liability cleanly.

4.

Model degradation from occupancy pattern shifts the AI was not retrained against

Buildings that shifted from 95% Monday-Friday occupancy to 60% hybrid occupancy between 2020 and 2022 carry AI models trained on distributions that no longer reflect actual use. FM providers without formal retraining schedules tied to occupancy changes deliver optimization against historical patterns, not current ones.

5.

Tenant data exposure for landlords â€” building AI processes tenant employee data without lease-level disclosure

Landlords whose FM AI processes occupancy data from multi-tenant buildings are collecting employee behavioral data belonging to their tenants' employees. Current lease templates almost universally do not address this. GDPR exposure for landlords in EU jurisdictions who have not established a data processing chain

Six Questions Before Your FM Contract Renewal

1. Does your FM contract include an explicit data portability provision specifying format, export timeline, and model documentation entitlements at contract termination and when did your legal team last review it against the AI systems your FM provider now operates?
2. Has your privacy or legal function reviewed your FM data processing agreement for GDPR Article 28 compliance, specifically covering AI-processed occupancy sensor and access control data as employee behavioral data?
3. What is the liability allocation in your FM agreement for a scenario where a documented AI maintenance recommendation precedes an adverse maintenance outcome and does that allocation cover AI recommendation accuracy or only service delivery execution?
4. Which AI systems and sub-processors does your FM provider use to process your building data and are those sub-processors disclosed in your current data processing agreement?
5. Has your FM provider provided disaggregated performance data for your specific building type and occupancy model, and does the AI retraining schedule account for occupancy pattern changes since initial deployment?
6. If your FM contract ended today, what would your successor FM provider receive from your current provider in terms of operational data, model documentation, and building intelligence and is any of that entitlement specified in your current agreement?

AI INSIGHT LAB

The Facilities Intelligence Bet

The AI operational case is real – 15–30% energy savings in mature deployments. The data governance case – portability at contract end, GDPR Article 28 compliance, AI recommendation accountability – has not been built at the same pace. The renewal is the moment to close that gap.

Read the full memo at aiinsightlab.cloud/memos/cre-facilities-ai