

By Audrey Symes, Head of Research | *November 2026*

At last week's Jackson Lucas Asset Management Roundtable, a group of industry leaders discussed the pressures facing property owners, the growing importance of asset-level decisions, and where AI can, and cannot, help. One point came through clearly: this is the kind of market where asset management can really prove its value.

After several years of low transaction volume and higher interest rates, firms can no longer count on broad market appreciation to carry returns. Performance increasingly comes down to the quality of each asset, how well it is operated, and the capital allocation decisions made along the way. For investors, that puts asset management at the center of the strategy. For hiring managers, it raises the value of experienced professionals who can navigate a more complicated returns environment.

A Market Where Returns Have to Be Earned

Commercial real estate investors are being squeezed from both sides: capital markets remain difficult, and property fundamentals are uneven. With limited appreciation and slow price discovery, performance depends more heavily on income growth and operational improvement. At the same time, the differences between sectors, markets, and individual assets have become much more pronounced.

Industrial, data centers, selected retail properties, and senior housing continue to benefit from structural demand. But even in those sectors, asset quality and acquisition basis matter. Multifamily, office, life sciences, and older hospitality assets face a tougher test as supply, rising expenses, obsolescence, and financing pressure produce very different outcomes.

Participants noted that 10 to 15 years ago, the major property sectors tended to move more closely together. Since 2020, that pattern has broken down. Different property types are likely to experience distress and recovery on different timelines, which means investors have a narrower and more selective opportunity set.

Simply picking the right sector is no longer enough. Investors also need to choose the right market, property, capital structure, and operating plan. That makes strong research, disciplined underwriting, and sharp asset-level judgment even more important.

A Wave of Maturities, but Only a Trickle of Liquidity

A large volume of commercial real estate debt is approaching maturity, yet refinancing remains difficult for many borrowers. 'Extend and pretend' is increasingly a relic of the last recovery. Higher borrowing costs, uncertain valuations, and limited equity are forcing owners to consider a wider range of options, from extensions and restructurings to recapitalizations and sales.

Office is especially challenging. One participant described spending about a year negotiating three-year loan extensions. Turnover within the lending team slowed the process further, as each new decision-maker had to get up to speed.

Multifamily has a different set of pressures. In some markets, operating expenses are rising faster than rents, while equity investors have become more cautious about the sector.

All of this is expanding the asset manager's role well beyond leasing and day-to-day operating oversight. Senior asset managers are increasingly expected to decide whether to hold, reinvest, recapitalize, restructure, or sell. They also need to explain clearly to LPs how each decision supports the investment's return objectives.

Participants also pointed to opportunities to buy debt at meaningful discounts or work with lenders to improve an asset's capital structure. Those situations call for a rare mix of property knowledge, financial sophistication, and negotiating experience.

AI Is Changing the Economics of Asset Management

AI was one of the liveliest parts of the discussion, in part because firms are already seeing real productivity gains.

One firm built a reusable process to review roughly 100 property budgets, reportedly saving about 120 hours of manual work. Participants also discussed AI-assisted reporting and interactive dashboards that make portfolio information easier to find, explore, and interpret.

For smaller firms in particular, these tools could meaningfully expand the capacity of asset management teams. Capabilities that once required a large analytical infrastructure are becoming much more accessible.

Still, participants were equally clear about AI's limits. It cannot replace experienced investment judgment.

A strong asset manager still has to know which questions to ask, define the right analysis, test whether the results make sense, and turn those findings into operating and investment decisions. Technology can make the process faster, but it does not set the strategy.

Implementation also needs discipline. Rebuilding the same analysis from scratch through AI can quickly become expensive and inefficient. The better approach is to create reusable tools, standardize workflows, and keep experienced people involved in reviewing the output.

One participant described moving an experienced asset manager into a leadership role overseeing AI strategy. That decision reflects a broader trend: firms increasingly value people who understand both real estate and how to apply technology in a practical way.

What This Means for Talent and Compensation

Together, these changes are reshaping the asset management talent market.

Participants reported strong demand for asset managers over the past two years and discussed an approximately 10% compensation premium for some mid- to senior-level director roles. These observations are not a comprehensive compensation benchmark, but they do suggest that firms are placing a higher value on experienced professionals.

The most sought-after asset managers will bring skills that go well beyond traditional property oversight:

- **Creating the narrative and telling an NOI story:** Explain performance, risk, and investment decisions to LPs, senior leaders, and lenders to maximize support for continued capital infusion.
- **Investment judgment:** Evaluate performance, anticipate risk, and make disciplined capital allocation decisions.
- **Capital markets expertise:** Manage lender relationships, refinancing negotiations, restructurings, and recapitalizations.
- **Operating sophistication:** Grow NOI through leasing, expense management, capital improvements, and tenant retention.
- **Technology fluency:** Use AI and analytical tools to improve productivity while validating the output and guiding the strategy.

AI's productivity gains could make top performers even more valuable. If skilled professionals can oversee more assets and work through more complex information, the premium on their judgment may rise rather than fall.

Looking Ahead

Participants were cautiously optimistic that acquisition appetite could improve in 2027, although the timing and breadth of a recovery remain uncertain.

What seems more durable is the change in how returns are created. As broad market appreciation becomes less dependable, the firms that make better asset-level decisions will be better positioned to outperform.

For real estate investment firms, sophisticated asset management is no longer simply a support function. It is a core strategic capability, and the quality of the people leading it will play an increasingly important role in investment returns.

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Source: EMM Research presentation and industry roundtable, November 2026. Roundtable examples, compensation observations, and market expectations reflect participant commentary and have not been independently verified.