New IREM® & AppFolio Research: Top Property Management Firms Have Cracked the Code on Driving Performance with AI

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Top operators are turning AI into real performance. The rest of the industry is playing catch up.

SANTA BARBARA, Calif., Nov. 05, 2026 (GLOBE NEWSWIRE) -- AppFolio (NASDAQ:APPF), the technology leader powering the future of the real estate industry, and IREM® (Institute of Real Estate Management) today released **AI Insights 2026**, a nationwide study of 3,662 real estate management professionals.

The findings point to a divide that matters more than adoption itself. Among AI users, 85% report productivity gains, but only 48% report a positive impact on net operating income or profitability. The operators who close that gap have built AI into how they run the business, not just how they complete tasks. The most AI-mature professionals are more than four times as likely to report a positive NOI impact as the least mature. Adoption has crossed the halfway mark industry-wide. Depth of use is what separates the operators pulling ahead from everyone else.

AI Adoption Has Reached a Tipping Point
AI adoption has nearly tripled since 2023, rising from 21% to 58%, a 29% year-over-year increase and the first time a majority of professionals report using AI in their role.

The growth is steady rather than explosive, and real estate management still trails other industries in overall adoption. What stands out is where the growth is coming from: There's no meaningful gap by company size anymore, with even the smallest firms crossing 50% adoption, and the strongest year-over-year gains came from smaller operators. The tech-expertise moat that once protected larger operators is gone. With AI now within reach of firms of every size, the difference comes down to how it's used.

"People are moving ahead, but many organizations are not," says James Scott, IREM Innovator-in-Residence and Director of Industry and Professional Programs, Real Estate Technology Hub, MIT Center for Real Estate. "When organizations remain neutral, the effect is not truly neutral: it shifts responsibility to individuals who may not have clear policies or guidance."

Productivity Is Not the Same as Performance
Widespread adoption is producing widespread productivity gains, but not widespread business results, and that gap is the real story in this year's data. Among AI users, 85% report productivity gains, while just 48% see that reach NOI or profitability. AppFolio calls this the Efficiency Trap: the assumption that completing more tasks, faster, automatically creates more value. Being faster at the to-do list is not the same as performing at a higher level, and this year's data shows that gap hasn't closed. Owner and investor satisfaction (58%) and resident satisfaction (62%) have moved further, but even those gains trail the productivity number by a wide margin. Closing the full performance gap means combining systems built with performance in mind and the behaviors that turn the capacity they create into results.

Proficiency Is What Separates the Leaders
To understand why some operators see stronger outcomes than others, AppFolio and IREM indexed respondents' AI maturity with a 0 to 100 benchmark that measures AI understanding, openness, and active use. Professionals who use AI most consistently, and have built it deepest into how they run their business, are 4.5 nearly five times more likely to report a positive impact on NOI and resident satisfaction than those who use it least.

The pattern for success is clear: The deeper AI is embedded in how an operation runs and how its people work, the stronger the results across the business.

Governance Has Not Kept Pace
The study also finds that adoption has outpaced responsible implementation.

- Only 8% of organizations have a formal written AI policy, and 74% of professionals have received no formal AI training.
- 92% of respondents report some level of concern about AI-related cybersecurity risks, and 93% are concerned about AI-generated fraudulent applicant documents.

With the average AI user already juggling two to three tools, governance vendor by vendor doesn't scale. A governed performance platform provides the system, one consistent set of guardrails for every AI capability in the stack. Training builds the behaviors, so teams know how to use those capabilities well.

"This year's data draws a clear line between using AI and getting results from it," said Stacy Holden, vice president and industry principal at AppFolio. "The operators pulling ahead have a system that does the work with them, and the judgment to anticipate what a resident needs before they ask, or bring an owner a plan instead of a problem. That combination is what Real Estate Performance Management looks like in practice, and it's a discipline any operator can implement."

Download **AI Insights 2026** for the full findings and recommendations for building AI proficiency.

Survey Methodology
AppFolio and IREM commissioned a survey of 3,662 real estate management professionals nationwide from May 7 to June 7, 2026.

About AppFolio
AppFolio is the technology leader powering the future of the real estate industry. Our innovative performance platform and trusted partnership enable our customers to connect communities, increase operational efficiency, and grow their business. For more information about AppFolio, visit appfolio.com.

About IREM
Since 1933, our members have made us the world's strongest voice for all things real estate management. More than 18,000 leaders in commercial and residential management call this home for education, support and networking. Our CPM®, ARM®, ACoM®, AMO® and CSP certifications are internationally recognized symbols of ethical leadership and a well-managed property. Our tools deliver decades of on-the-job know-how to help members get even better at what they do. Put simply – IREM and its members are here to elevate the profession. If you know real estate management, come get to know us. irem.org

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