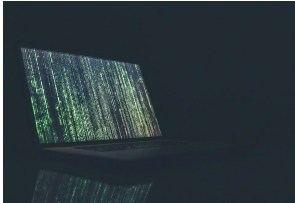


Commercial Real Estate Lawyers Have Embraced Artificial Intelligence. Here's Why It's A Good Thing

February 21, 2018 | Rosenberg & Estis | Travis Gonzalez, Writer



The image of a lawyer poring over hundreds of legal cases during a late-night research session might be obsolete in the near future.

As adoption of artificial intelligence and online services increases in the legal industry, computers have taken over monotonous tasks like sending and redlining documents, which speeds up the due diligence process. In a 24/7 digital economy, a faster, more efficient review process saves clients money and their legal representation time, Rosenberg & Estis attorney Eric S. Orenstein said.

Law technology startups like NexLP have turned to artificial intelligence to simplify data analysis. AI programs rely on natural language processing to sample data and predict what documents could be relevant to a case. This process reduces the time needed for document review because the program is **searching for concepts**, as opposed to specific keywords. For commercial real estate, common topic searches like “commercial rezoning” or “**commercial terrace rulings in New York**” could quickly pull up the recommended documents.

Orenstein represents owners and developers of commercial properties in the New York area, providing legal expertise in all aspects of real estate, including leasing, development and purchase and sale transactions. He also **represents lenders** nationally in ensuring that projects described in loan documentation match what will be delivered. Working with tangible property involves a complex package of documents covering everything from ownership history to zoning laws.

Digital paperwork eliminates the need for attorneys to physically travel to conduct due diligence, lowering costs for clients. Attorneys can take a deeper dive into due diligence once freed from having to sift through physical files.

Cloud-based services like Dropbox allow lawyers and clients to securely receive more thorough digital packets of paperwork. The ready availability of information facilitates more complex deals.

“Easier sharing of information leads to more questions,” Orenstein said. “Coupled with a faster pace of deals, attorneys are working through greater amounts of information and complex ideas in shorter time spans.”



Adopting these tools would cut working hours for lawyers **by 2.5% annually over five years**, according to a paper from the University of North Carolina School of Law. This would free up time to communicate with clients or take on more cases.

For NexLP, the goal is not only data analytics, but also insight. Through its Story Engine, NexLP can read through unstructured data and summarize email conversations, including the ideas discussed, the frequency of the correspondences and the tone of the speakers. Used in tandem with transaction records, the company can analyze behavior and find

signs of fraud.

“It is easier to subpoena emails than paper notes, and technology has highlighted this,” Orenstein said. “There are more smoking guns. You have to be more careful in what you do and what you say.”

Further investments in artificial intelligence in the legal sphere have improved the research process. Online database LexisNexis liberated law firms from maintaining physical legal libraries. **Ross Intelligence**, through IBM’s Watson, will now make those online searches instantaneous. Users can ask legal questions in plain English and the software searches legislation, case law and secondary sources to pull up necessary research. A 10-hour legal database search **can be completed in seconds**.

As technology plays a larger role in legal work, cybersecurity risks have become more apparent, Orenstein said. He has seen an increase in the number of wire fraud attempts, as hackers infiltrate corporate email accounts and issue transfer requests from the C-suite. Rosenberg & Estis has gone back to a more old-fashioned method to verify such requests: a phone call. The law firm also routinely hires hackers to test the limits of its infrastructure and reveal any possible vulnerabilities.

While the potential for cyberattacks keeps some professionals wary of adopting new technology, the benefits can outweigh the risks.

“For some people, new technology might be scary, but for me it’s amazing,” Orenstein said. “Look at how efficient you can be.”

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