Orbital

The AI Reality Gap

3 Illusions Costing Real Estate Lawyers and Property Professionals

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Promise vs Practice

Real estate dominates globally as the world's largest asset class, valued at over $650 trillion (Statista, 2023). Yet the legal tools and processes that underpin it have remained surprisingly outdated—with documents still manually reviewed line by line, and data scattered across fragmented systems.

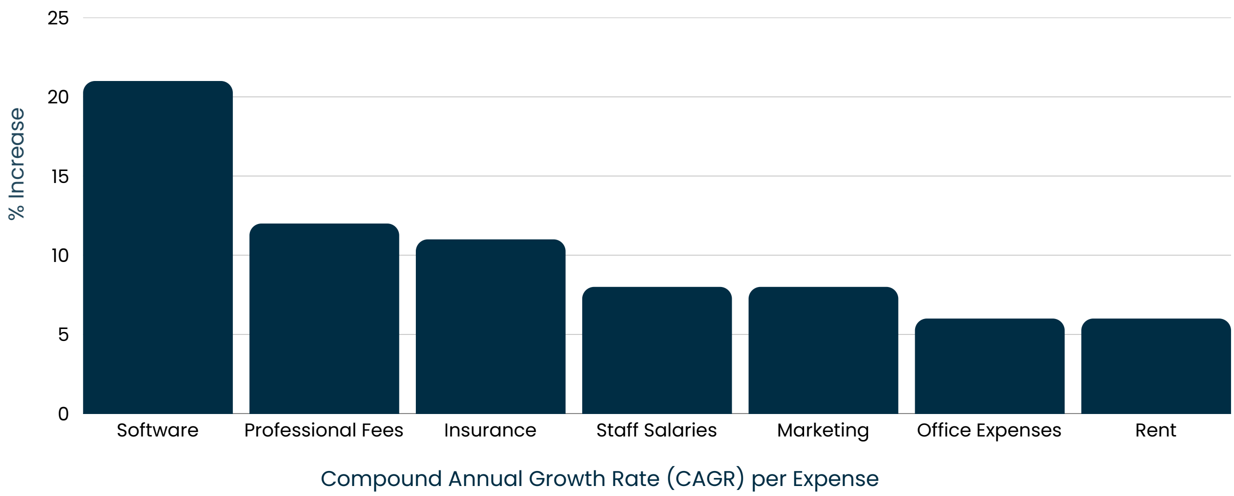
At the same time, commercial real estate lawyers and property professionals are increasingly being asked to do more with less. Clients demand faster turnaround times, cost-effective due diligence, and a consistently high standard of service.

To meet these demands, firms are investing more than ever in technology. In fact, law firm spending on software is now growing faster than any other category, outpacing insurance, staffing, and even office space.

The shift is clear: legal work is changing, and AI is at the centre of that transformation.

Technology Spending Growth Since 2012

Rolling 12-month Y/Y Change



Source: Thomson Reuters 2024

AI promises to ease pressure, reduce manual work, and expand legal capacity. The question is how firms ensure it's applied in the right places.

More than a third of AI usage (Clio, 2024) within legal teams currently sits with general-purpose tools, platforms not designed for legal work, let alone the unique demands of property law. These tools may be easy to access, but they struggle with legal nuance. They miss context, overlook connections, and erode trust in the output.

What was supposed to reduce effort ends up adding risk and slowing legal work down.

That's because real estate law isn't just another practice area. It's a highly specialised domain—with layered documents, evolving obligations, historical records, and intricate links across them all. One-size-fits-all AI simply can't cope with that complexity.

This report unpacks three misconceptions, or illusions, about AI that lead real estate lawyers, property professionals, and their innovation teams to invest in solutions that hinder, rather than enhance, their workflows and the value delivered to clients.

We reveal why purpose-built, real estate-specific AI is not just a nice-to-have but essential for anyone looking to stay ahead in increasingly tech-driven real estate and legal markets.

The AI Spectrum for Real Estate Lawyers

As AI becomes more embedded in legal work, it's crucial to understand the difference between the tools available. Many sound promising on the surface, but their capabilities, limitations, and level of domain understanding vary dramatically.

Here's how they break down:

General-Purpose AI

Large language models (LLMs), such as ChatGPT, trained on broad internet data and general knowledge. While powerful in general-use scenarios, these non-specialist tools rely on statistical pattern recognition and lack the legal precision, contextual understanding, and reasoning required for complex real world legal work.

Industry-Level Legal AI

Also referred to as general legal AI. This is a subset of domain-specific AI trained on a wide range of legal materials and frameworks. They cater to a diverse range of practice areas, but lack the depth required for specialised fields like real estate law.

Real Estate-Specific AI

Highly specialised, domain-specific AI developed exclusively for real estate law. These technologies embed deep practice-area expertise, enabling the AI to understand complex documentation, interconnected agreements, precedents and visualisation requirements unique to real estate.

Illusion 01:

All Legal AI is Created Equal

A pervasive misconception clouds the AI conversation within firms: the assumption that any industry-level legal AI can effectively streamline real estate due diligence.

This fundamentally overlooks the vast differences between industry-level legal AI and real estate-specific AI solutions.

Industry-level legal AI is impressive in breadth, but lacks the specialised knowledge required for complex commercial real estate transactions and industry-standard practices. The tool that impressively handles litigation research or corporate contract review for your peers suddenly falters when reviewing title documents, leases, joint venture agreements, or preparing certificates of title.

This is because general legal AI lacks the practice-area depth needed to recognise defined terms and key concepts that would be obvious to seasoned real estate lawyers. Take security of tenure under the Landlord and Tenant Act 1954, an essential part of almost any lease review that generalist tools often fail to navigate, leaving clients vulnerable to occupation disputes.

What appears to be a minor technical limitation can quickly escalate to a material business risk. Teams spend countless billable hours second-guessing outputs, reworking generic AI summaries, and stitching together insights into something truly client-ready. It's draining, time-consuming, and detracts from higher-value work.

KEY TAKEAWAY

The tool that impressively handles litigation research or corporate contract review for your peers suddenly falters when reviewing title documents, leases, joint venture agreements or preparing certificates of title.

Illusion 02:

Document Analysis Equals Document Understanding

Identifying and extracting key clauses is not the same as true document understanding, which requires a deeper knowledge of transaction context, document relationships and associated legal concepts. A distinction real estate lawyers and property professionals know all too well.

While industry-level legal AI tools can locate and extract information, they don’t understand the rich contextual ecosystems that make commercial real estate documents unique. For example, a title register must be interpreted in the context of what it refers to, such as the underlying deed of easement, not just what appears on face of the page.

Each document's significance emerges through its relationship to others. But legal AI processes each document in isolation, creating blind spots and inconsistencies. These gaps can introduce legal risk, mislead clients, or require hours of additional checking—the opposite of what AI should deliver.

“Effective AI for real estate practices needs to process related documents as a collective, rather than individually,” explains Ella Ovenden, Legal Engineer at Orbital. “As legal engineers, we embed the principles and context of practice into the technology, enabling it to reflect the way documents interact in the real world. For example, a lease review isn't complete without checking deeds of variation, and a title register only tells part of the story until you examine the underlying documents it refers to. These relationships determine the true legal position.”

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> Ella Ovenden, Legal Engineer
>
> Orbital

The limitations of general-purpose and industry-level AI become particularly problematic in real estate's specialised workflows, which often include analysis of physical boundaries, historical context and external data sources.

Take historical context: property transactions frequently involve century-old documents with handwritten notes from generations past that carry binding legal weight today. More often than not, junior lawyers find themselves spending hours hunched over deteriorated pieces of paper, squinting at faded ink and deciphering marginal scrawl to determine which modifications remain legally significant.

General legal AI would likely fail to detect these faint margin notes or distinguish between substantive modifications and routine notations because they're optimised for modern text.

As a result, lawyers are sometimes forced to abandon AI assistance entirely or cobble together workarounds using bolt-on tools that add complexity instead of clarity. The irony? These solutions end up creating the kind of manual, time-intensive workflows AI was meant to eliminate. Without real estate expertise embedded in their system itself, even the most advanced document processing remains surface-level: fast, but far from reliable.

What Is a Legal Engineer?

A professional with legal practice experience who applies domain-specific knowledge to develop and maintain AI solutions. At Orbital, our legal engineers are former real estate lawyers who impart their practice experience to ensure the accuracy of AI outputs. With over 250 years of combined experience, they work closely with our product and AI teams to translate real-world legal processes.

Illusion 03:

Technology Alone Drives Transformation

The promise of 'set and forget' automation represents perhaps the most seductive misconception in real estate AI adoption: that technology by itself can revolutionise practices overnight.

> “True transformation in real estate practice requires adapting existing processes to incorporate AI effectively, rather than simply plugging it into legacy manual processes."
>
> Marija Stavric, AI Product Manager
>
> Orbital

Many industry-level legal AI solutions make bold claims about transforming legal work, promising to make contract review and analysis faster and more accurate, automate complex transactions, and drive firmwide transformation. But underneath polished platforms often lies basic technology that oversells its capabilities.

Consistency quickly becomes an issue: these tools produce changeable, unreliable outputs that vary depending on how questions are phrased or who is using them. The same lawyers all performing the same task could generate different results—some incomplete, others inaccurate, and a portion misaligned with firm best practice.

This variability creates a troubling paradox for real estate lawyers: software supposed to reduce workloads simply shifts it from manual administrative tasks to the time-consuming verification of unreliable outputs. This creates delays, missed obligations, and unintentional risk exposure.

The answer isn’t to abandon AI entirely but to recognise the value of human-led contextualised legal analysis in real estate transactions. Effective AI implementation should enhance human expertise, not replace it. It requires a clear division of labour: automation handling repetitive data extraction while lawyers focus on the high-value analysis clients actually pay for.

“True transformation in real estate practice requires adapting existing processes to incorporate AI effectively, rather than simply plugging it into legacy manual processes," says Marija Stavric, AI Product Manager at Orbital. "Firms that recognise this distinction will avoid the disappointment of over-promised technology and instead leverage AI to gain a genuine competitive advantage."

Designed for Real Estate Transactions

These three misconceptions often lead teams to invest in general legal AI tools that aren't equipped for real estate, only to be disappointed by inconsistent outputs, limited context, and more manual work than expected. As a result, many are left questioning whether AI can ever truly support real estate transactions. But it's not AI that's the problem; it's using the wrong kind. When technology isn't built for the complexity of real estate law, it's no surprise it fails to deliver.

> "Law firms are organised around practice areas. The idea that legal AI should be 'one size fits all' ignores everything we know about how legal work is actually done."
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> Ella Ovenden, Legal Engineer
>
> Orbital

While general legal AI tools may be built for lawyers, their broad focus across all practice areas creates limitations for lawyers navigating specialist areas of law. Just as you wouldn't instruct a litigation lawyer to run a portfolio acquisition, a generalist legal AI cannot be expected to navigate the layered documents, obligations and relationships that define real estate transactions.

As Ella, Legal Engineer at Orbital, explains, "Law firms are organised around practice areas. The idea that legal AI should be 'one size fits all' ignores everything we know about how legal work is actually done."

Real estate lawyers and property professionals require AI that mirrors how they think and work, with tools that understand the nuances of property documents, surface relevant insights, and generate outputs that reflect the realities of real-world transactions.

This specialised intelligence acts as a second set of eyes, helping real estate lawyers and property professionals mitigate risk while fast forwarding transactions. Here are five capabilities that show what this looks like in practice.

1. Developed by Experts, Not Just Trained on Data

AI can only deliver meaningful value when grounded in real-world legal expertise. That's why the most effective real estate solutions are developed with legal engineers who have hands-on experience in property law, translating complex domain knowledge into practical technology.

Their role isn't just advisory. They work hand-in-hand with product and AI teams to define document logic, codify due diligence workflows, and ensure outputs reflect how real estate teams actually work. The depth of embedded expertise allows AI to go beyond surface-level pattern recognition and product outputs that are both accurate and usable.

It's a foundational shift from tools that mimic legal language, to tools that *understand* real estate context.

> "Orbital is next generation legal technology and is helping us continue to focus our Real Estate lawyers time on the areas that are most valuable to clients."
>
> Matt Taylor, Partner
>
> CLIFFORD CHANCE

2. Integrated Intelligence

Once domain expertise has shaped the product, its value is carried through in the AI's knowledge base. The most effective tools embed this expertise directly into the system, guiding the AI through complex tasks with reliable, real-world context.

Take the process of registering a transaction at the HM Land Registry (HMLR): this has traditionally relied on knowledge of dozens of HMLR practice guides and an ability to search through these to find the relevant steps for a specific matter.

A tool like Orbital Copilot streamlines this process by providing direct access to HMLR practice guides within its interface. Lawyers can simply ask it the relevant question and receive an answer that can be quickly verified against the relevant guidance on screen.

Similarly, when evaluating lease terms, real estate-specific AI can compare specific clauses against the market-standard Model Commercial Lease (in its various forms), helping lawyers quickly assess whether the relevant provisions require further negotiation.

This intelligence dramatically reduces time spent gathering information—up to 70% compared with traditional methods when generating lease or title reports.

"With Orbital Copilot, we've cut our average lease reporting time from around four hours to just one. That time saved lets us focus on higher-value work, getting our team away from just due diligence and back to client care."

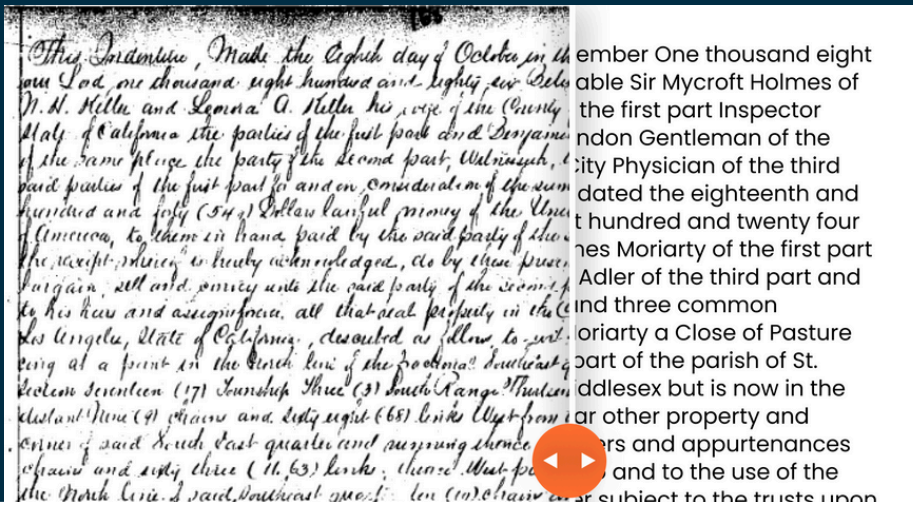
Alexander Hutchings, Partner and Head of Real Estate

GREENWOODS

3. Built for the Physical and Paper-Based Realities of Property Law

Real estate is rooted in physical assets that often span decades, if not centuries, of ownership and legal activity. Unlike areas of law driven by recent events or digital processes, property law reflects the long history of the land and buildings themselves.

Much of the legal documentation in this field also remains paper-based. Whether it's a scanned deed, a lease with handwritten amendments, or a title register referring to multiple earlier transactions, key information is frequently recorded in formats that are difficult to interpret using general-purpose AI.



These materials may be poorly scanned, inconsistently formatted, or annotated in ways that carry ongoing legal significance. Yet they still form part of the current legal picture and must be reviewed with care.

While generic tools often struggle to extract meaningful insight from such documents, real estate-specific AI is designed to handle these complexities. It recognises the layout and language of property documents, interprets marginal notes and historical references.

For practitioners, that means fewer hours spent deciphering obscure amendments and more confidence that nothing critical has been missed.

KEY TAKEAWAY

AI purpose-built for real estate workflows recognises the layout and language of property documents, interprets marginal notes and historical references.

4. Designed to Make Sense of Document Ecosystems

Real estate due diligence rarely involves a single document in isolation. Specialist real estate AI must recognise the legal and chronological relationships between documents, for example that a lease and a deed of variation form part of a single legal package.

When using real estate-specific AI to generate a lease report, the technology automatically associates these related files and folders them accordingly. This enables accurate reporting based on the entire context, not just a single input.

The benefits are tangible: fewer gaps in reporting, faster turnaround times, and greater confidence in what's been reviewed. In high-volume or portfolio transactions, this functionality is essential for meeting deadlines without sacrificing quality.

Another scenario might involve a series of restrictive covenants in a title register that cross-reference historic deeds and documents. Real estate-specific AI can link these and surface the consolidated impact in the output.

This ability to connect, interpret, and present interrelated documents is a defining capability that separates specialised solutions from surface-level tools.

"Anything that speeds up title review—especially when dealing with multiple titles—is a huge win. Orbital Copilot cuts hours off the process and does the heavy lifting, so I can focus on moving the transaction forward."

Sinead Thomasson, Solicitor

fieldfisher

Consistent, Explainable Outputs

Real estate-specific AI incorporates standardised reporting templates designed specifically for real estate due diligence tasks. These templates, covering everything from CLLS Certificates of Title to Agreements for Lease, embed the expertise of practising property lawyers directly into the prompting structure.

As a result, a trainee and senior partner produce comparable first draft reports from the same real estate documents, without either needing to master prompt engineering. While all AI output is currently somewhat dependent on prompting quality, these pre-built templates significantly reduce variability.

Unlike general-purpose AI tools that may cite irrelevant sources, purpose-built solutions also provide explainable reasoning and detailed citations, making outputs auditable for client work.

Making the Right Choice:

8 Questions to Ask Your AI Vendor

Choosing the right AI partner is critical and will have lasting implications for your practice.

Ask these eight questions to cut through marketing claims and determine whether an AI vendor truly understands your unique challenges as a real estate lawyer and can provide the capabilities to address them.

1. Was the AI built exclusively for real estate law, or is it a general legal AI tool adapted for real estate use? Was it trained using real estate legal data and concepts?
2. How does it identify and manage relationships between connected documents in a transaction (for example, a title register and relevant underlying documents, or a lease and a deed of variation)?
3. How many real estate professionals contributed to its development and ongoing training?
4. What level of transparency does it provide when producing real estate reports?
5. Is the system capable of reporting on documents with visual elements or handwritten amendment?
6. What quality control mechanisms are in place to ensure reliable outputs?
7. Which firms and institutions actively use and endorse this product?
8. How is the product evolving to keep pace with advancements in AI and real estate law?

The Final Word

The firms that make strategic investments in the right AI today will define the landscape of real estate law for the foreseeable future.

In a trillion-dollar industry, the stakes are high. Real estate law leaves no room for trade-offs: speed is meaningless without verifiable accuracy. Only technology purpose-built for real estate can deliver the precision required to handle higher volumes while maintaining quality and reducing risk.

Your choice between industry-level legal AI tools and real estate-specific AI platforms determines whether you achieve marginal efficiency gains or meaningful change.

Lawyers balancing repetitive manual due diligence workflows, inconsistent review quality, and pressure to keep pace with competitors adopting AI will feel the impact of this choice most through client satisfaction, practice efficiency, and firm profitability. Smaller firms may gain the ability to compete for work previously dominated by larger players.

The most effective real estate AI platforms combine sophisticated technology with human expertise, using legal engineers who understand both commercial real estate law and technology to maintain quality control and evolve future capabilities. As AI continues to reshape legal services, the adoption of purpose-built technology will shift what began as an operational decision into a defining competitive advantage.

> "Some of our leases are time-consuming to review. What used to be a lengthy process is now completed in minutes with Orbital Copilot, with greater confidence and less risk.'"
>
> Andy Doyle, Director of Operations, Innovation & Strategy
>
> GROSVENOR

Orbital
Copilot

Orbital Copilot is purpose-built AI for commercial real estate lawyers and property professionals. Developed by a team of legal engineers with deep real estate practice expertise, it accelerates complex due diligence tasks like title and lease reporting by up to 70%.

Trusted by leading firms, including Goodwin, BCLP, and Ropes & Gray, Orbital helps legal teams automate busywork, freeing up time to focus on high-impact legal work, deliver exceptional client service, and win more business.

GROSVENOR GOODWIN pwc DENTONS

BCLP ROPES&GRAY MACFARLANES WOMBLE BOND DICKINSON

Find out more: www.orbital.tech

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