

Press release

ZIA on the stance of the European Parliament: Demystifying artificial intelligence and seizing opportunities

Berlin, 14.06.2023 – The real estate industry supports the objective of positioning Europe as one of the leading markets for the development of AI, while at the same time becoming an international pioneer in the adherence to binding ethical minimum standards. However, the German Property Federation (ZIA) warns that a regulatory framework could end up overly restrictive for the industry. This Wednesday, the European Parliament (EP) took a position on the so-called Artificial Intelligence Act (EU AI Act). With this proposal, the European institutions are seeking a regulatory basis for the development and application of artificial intelligence (AI) in Europe.

"The intense debate in the European Parliament already reveals how fine the line is between promoting and preventing technological progress", cautions the Deputy Chief Executive of the ZIA, Aygül Özkan, on the occasion of the vote in the plenary. "The real estate industry and especially the start-ups organised in the ZIA PropTech Platform have proven through a variety of ambitious technical developments how crucial the role of the industry and especially AI is for combating climate change". AI enables a massive reduction in CO2 emissions from buildings through various forms of application. However, the necessary data collection as well as data processing and many applications that are harmless in nature are being unnecessarily hampered by "regulations that are reasonable in principle, but often too far-reaching in their concrete design". "We have to allay people's fears: AI will not replace them, but help to combat climate change", Özkan said.

Start-ups in particular cannot afford excessive information and data retention requirements or elaborate compliance checks, such as whether their AI should be classified as "critical" in the sense of the AI Act. From the standpoint of ZIA, it is therefore pleasing that the European Parliament does not want to make general-purpose AI systems liable for the eventuality of use in a high-risk AI system as a precautionary measure.

In some respects, however, ZIA sees the danger of crippling overregulation. "Bureaucratic regulations must not overburden small and medium-sized enterprises, nor large corporations, financially and thus render sensible applications impossible", Özkan warns. "Improvements are urgently needed here and it must be taken into account that today's regulations often no longer reflect the technical reality tomorrow".

Furthermore, the ZIA recommends clarifying the concept of the so-called foundation model. The planned exceptions for open-source solutions, on the other hand, are a welcome development.

The ZIA endorses the wish of other leading associations to improve the funding landscape: "The European Digital Europe Programme was a first step in the right direction. However, to reduce American and Chinese market dominance, much more is needed than the modest 2.1 billion euros earmarked for AI in the programme", Özkan underlines. The industry offers the European legislators and the Commission to contribute the expertise of the real estate industry within the further process.

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ZIA

The German Property Federation (ZIA) is the leading umbrella association for the property sector. With its registered office in Berlin and a European office in Brussels, it speaks through its about 400 members, including 30 associations, on behalf of approximately 37,000 industry companies right across the value chain. ZIA provides comprehensive, unified representation for the interests of the real estate sector in all its diversity at both national and European level, including as a member of the Federation of German Industries (BDI) and the German Economic Institute (IW). The President of the association is Dr Andreas Mattner.

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