Initiative Stakeholder Briefing:

Safeguarding Value, Managing Risk - How Legal and Risk Management Teams Shape the Future of Real Estate

Building Lifecycle Management Initative

In today's commercial real estate (CRE) environment, legal and risk management professionals face unprecedented challenges. Escalating regulatory requirements, heightened cybersecurity threats, evolving environmental standards, and increasing operational complexities demand a proactive approach. The Building Lifecycle Management (BLM) industry initiative offers a strategic framework enabling legal and risk management teams to safeguard value, manage risk effectively, and position their organizations for long-term success.

Traditionally, the fragmented nature of CRE operations has resulted in isolated data, disconnected teams, and reactive processes. This has led to increased vulnerabilities, higher legal liabilities, and greater financial risks. Without comprehensive lifecycle management, organizations risk costly compliance violations, operational disruptions, and significant financial impacts from unmanaged data and processes. Legal and risk professionals require integrated, lifecycle-driven solutions to preemptively address these challenges.

The BLM initiative provides the essential infrastructure to unify legal and risk management practices across all building lifecycle phases—from design and construction to operations and eventual deconstruction. By adopting standardized data governance, enhancing interoperability, and utilizing advanced technologies such as digital twins and predictive analytics, organizations can significantly reduce operational uncertainties and associated costs. Effective data governance alone can substantially mitigate interoperability issues, which cost the U.S. capital facilities industry approximately $15.8 billion annually[1].

Active engagement in the BLM initiative places legal and risk management professionals at the forefront of a new era in real estate management. By ensuring compliance, improving asset resilience, and proactively managing operational risks, these professionals can substantially enhance organizational stability, market reputation, and long-term asset value. Embracing BLM principles empowers legal and risk teams to transform potential vulnerabilities into competitive advantages.

Participation in the Building Lifecycle Management initiative is a strategic decision that transcends traditional risk mitigation. It represents a unique opportunity for legal and risk management professionals to lead industry transformation, secure sustainable asset performance, and future-proof their organizations in an evolving marketplace. Join us in shaping a resilient, sustainable, and strategically sound future for commercial real estate.

[1] **Gallaher, M. P., O'Connor, A. C., Dettbarn, J. L., Jr., & Gilday, L. T. (2004).** *Cost analysis of inadequate interoperability in the U.S. capital facilities industry*. NIST GCR 04-867. National Institute of Standards and Technology

