

Case Study Technology

Using AI to optimise capital allocation and decarbonisation



PROJECT:
Portfolio Optimisation



COMPANY:
Wüest Partner



LOCATION
Europe

Challenge

A Swiss pension foundation required a revised investment strategy for one of its real estate vehicles comprising 35 properties.

Following a reduction of the available capex budget, the key challenge was no longer whether investments were needed, but how limited capital could be most effectively allocated across assets and over time.

The client also wanted to integrate decarbonisation more systematically into its investment planning, without compromising portfolio value, return expectations or the long-term net-zero pathway.

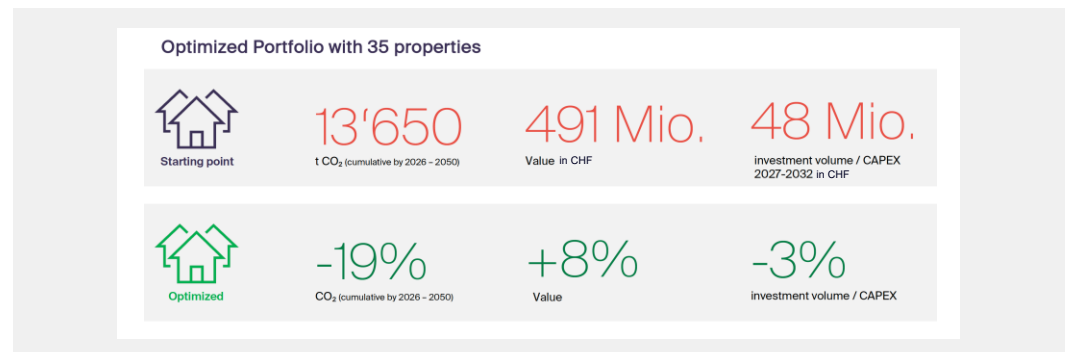
Outcome

Wüest Partner provided a transparent, investor-oriented capex roadmap for the 35-property portfolio.

The optimised portfolio achieved a clear improvement compared with the starting point: cumulative CO₂ emissions were reduced by 19%, portfolio value increased by 8% and the required investment volume was lowered by 3%.

The analysis showed how the existing investment plan could be enhanced by reallocating measures across assets and over time, creating a stronger balance between financial performance, capital discipline and CO₂ reduction.

For the client, this created a more robust basis for capital allocation, business planning and strategic decision-making.



Solution / Approach

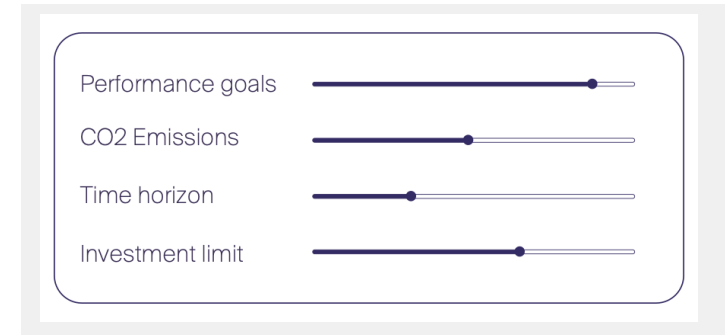
Wüest Partner's Optimizer Technology combines valuation, market intelligence, ESG indicators and investment planning in one integrated decision framework. Together with the client, Wüest Partner translated the investment objectives into measurable parameters, including financial performance, CO₂ reduction, capex limits, regulatory requirements and time horizon.

The technology then simulated thousands of possible investment and refurbishment scenarios at asset and portfolio level. Different strategies were compared, ranging from value maximisation and return optimisation to accelerated decarbonisation and balanced ESG-financial performance.

By combining asset-level data, a comprehensive market view, AI-based optimisation capabilities from the Wüest Dimensions platform, and expert judgement, the approach identifies which measures should be prioritised, when they should be implemented, and how different capex limits affect the portfolio trajectory.

The AI component in the optimiser evaluates hundreds of renovation and investment scenarios, testing different combinations of measures under financial and technical constraints. Based on the individual objectives of the investor, it identifies and ranks the most effective strategies to maximise value uplift while meeting CO₂ reduction targets. This AI-based analysis is then validated through expert review in the final step.

The results are validated by Wüest Partner's valuation experts to ensure that the proposed investment strategy is realistic, financially sound and suitable for investor decision-making.



Wüest Partner

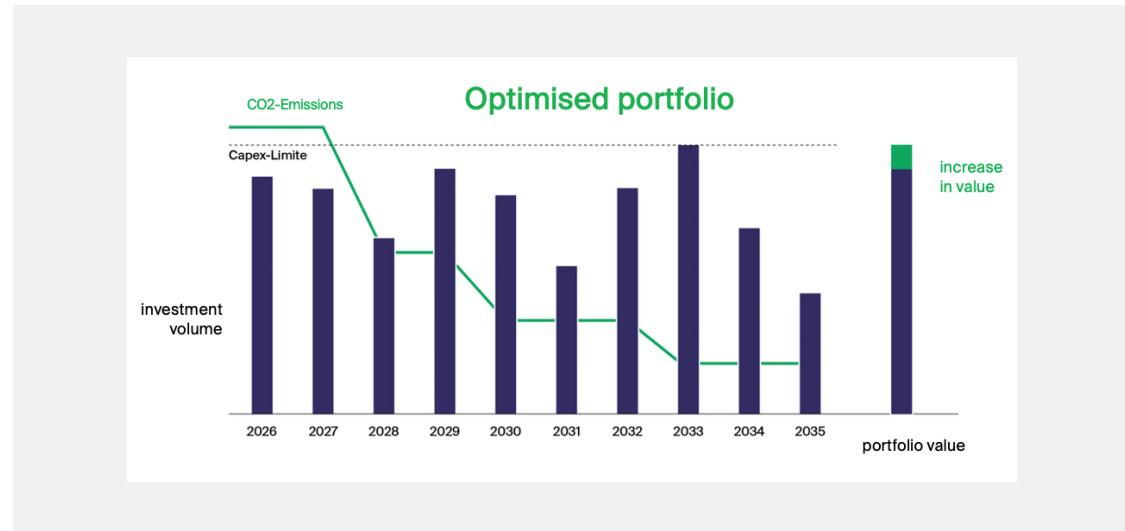
Wüest Partner is an innovative and independent software and services company in the real estate industry. Since 1985, we have been creating a sound basis for decision-making by combining real estate expertise, data and digital solutions. As an industry leader, we shape the future of real estate together with our clients, offering holistic services in valuation, consulting, data, analytics, AI, software, sustainability and education.

Results

Although the client already had an established investment plan, the optimisation identified additional potential by improving the sequencing and allocation of investments across the portfolio. The output was not a theoretical decarbonisation plan, but an actionable investment roadmap that translated financial, technical and sustainability objectives into concrete portfolio decisions.

The optimiser identified adjusted capex plans for most assets, with 29 of the 35 properties receiving specific investment recommendations. In many cases, strategically combining measures enabled earlier value uplift. For the remaining assets, the existing plan was considered optimal or no meaningful value upside was identified, indicating no further investment or potential divestment. Recommendations varied across the portfolio due to differences in asset age, condition and fit-out.

The full process, from the initial kick-off to the delivery of the final results, was completed within a few weeks. This allowed the client to move quickly from a budget-driven prioritisation challenge to a clear, evidence-based capital allocation strategy.



For further information, you are welcome to contact us:

Dr. Michael Heigl
 Director ESG & Impact Economics
Michael.heigl@wuestpartner.com