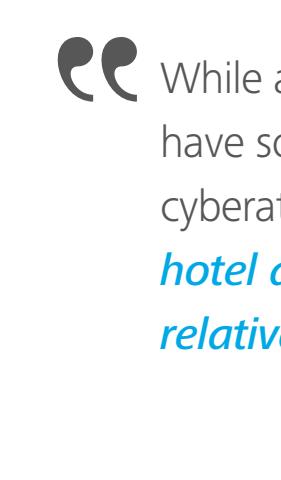


Evolving cyber risk in commercial real estate What you don't know can hurt you

New technology brings business benefits, but what about new risks?

Commercial real estate (CRE) companies are implementing highly sophisticated technology solutions referred to as intelligent buildings. While these solutions offer many benefits, systems can be vulnerable to cyberattacks.



Pros

- Increases connectivity with tenants and vendors through integration of building management, communication technology, and business systems
- Allows a comprehensive and real-time view of facilities
- Enables better adaptability to the requirements of specific tenants and buildings

Cons

- Adds layers of complexity
- Interconnectedness through internet protocol-based networks, HVAC and other industrial control systems, and open Wi-Fi networks increase data vulnerability
- "Boundaryless" operating ecosystem creates a much broader "attack surface" for threat actors to exploit



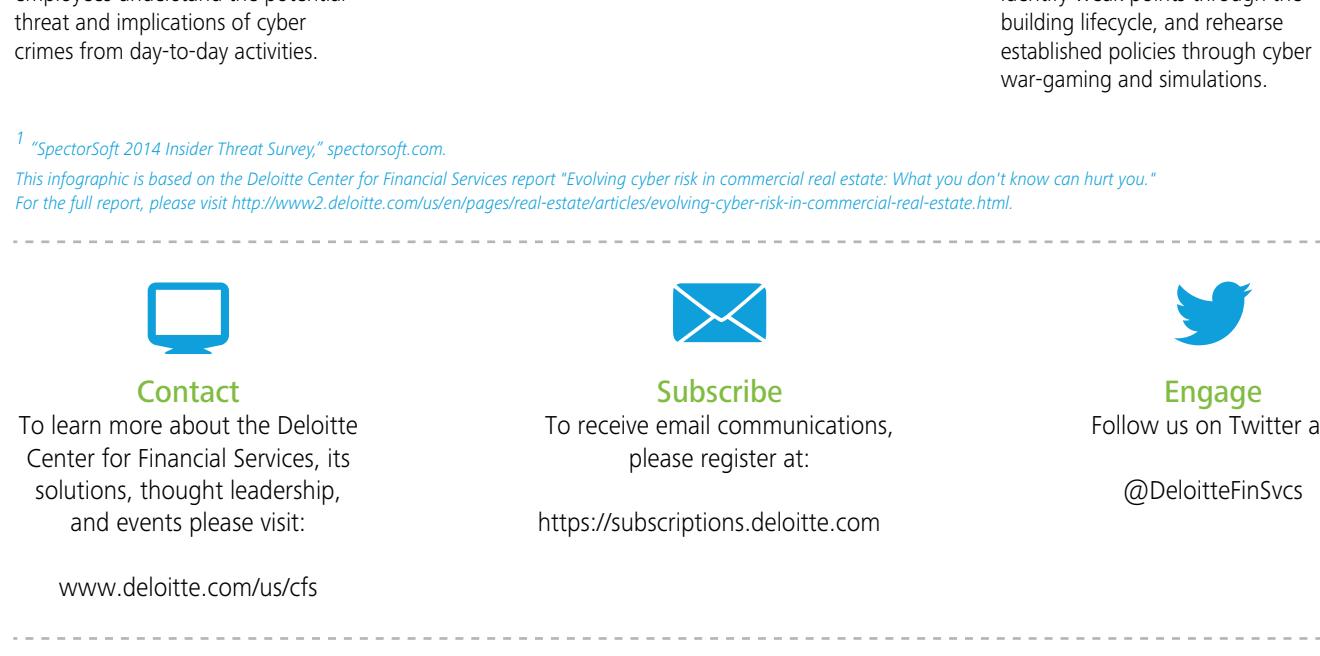
“While all property owners and tenants have some degree of exposure to cyberattacks, our analysis suggests that **hotel and retail property types are relatively more vulnerable.**”

Broadening attack surface by property type



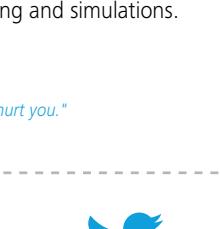
What are the risks?

SpectorSoft study suggests that 37% of data attacks in the real estate sector are perpetrated through insiders.¹



A secure, vigilant, and resilient cyber risk management plan

Companies may be unprepared for attacks because in general, system control and integrity may take priority over data protection. To prepare, CRE companies will need to consider a targeted and multipronged approach to manage cyber risk.



Elevate cyber risk as a strategic issue

Determine responsibility and accountability for cyber risk management and develop a governance model that percolates through the management team.

Spread awareness and education

Conduct simulations to help employees understand the potential threat and implications of cyber crimes from day-to-day activities.

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Develop policies and frameworks

Understand threats and tactics, conduct a gap analysis between current and expected cybersecurity levels, and adopt leading practices.

Invest in effective implementation

Strategically invest in priority assets, identify weak points through the building lifecycle, and rehearse established policies through cyber war-gaming and simulations.

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