



RE:Tech › Mid Year Report » 2015 Q1-Q2

# Future ↔ Insight ↔ Report

Technology's Impact on Real Estate



### **RE:Tech Reports & Analysis**

In Q1 & Q2 2015, RE:Tech conducted a real estate technology survey and analysis, RE:Tech Future Insight - mid year report, on technology's impact on real estate.

RE:Tech's goal is to explore how innovation and real estate technology companies are impacting the macro real estate industry. The 2015 RE:Tech Future Insight Report looks at current market conditions, key findings and future trends in real estate technology.

### **What is Real Estate Tech?**

Real Estate Tech and Commercial Real Estate Tech, can broadly be defined as real estate technology products and/or services which generate, improve, or enhance operational performance, productivity, and/or efficiency.

RE:Tech »

*Pioneer the Future of Real Estate*

RE:Tech is an advisory group focused on tech's growing impact on real estate. We are the trusted advisors to leading real estate companies, startups, coworking spaces, venture capitalists, government agencies, non-for-profit, and educational institutions.

Through our extensive real estate experience and understanding of the unique requirements of the real estate and tech industry, we taking on immense challenges that matter to our clients and mitigate risk.






# The Innovation Era of Real Estate//

The innovation era of real estate technology is pioneering the built environment and how it operates. The Internet of Things (IoT) and hardware technology (HaaS) is shifting the way we think and operate within the built environment, creating new opportunities by bringing every object and consumer activity into the digital-physical realm. 3D printing, virtual reality (VR), and beacon technology are pioneering innovations shifting the digital-physical landscape.

At the same time, leading real estate businesses are adapting and investing in changes within business activities. Real estate professionals are better equipped to onboard new technology and real estate business have even begun creating their own in house technology. Overall real estate companies have begun integrating pioneering technology by digitizing employee products, process, and service.

In our RE:Tech Future Insight survey, polling more than 500 real estate professionals in New York, with the objective to understand key challenges and opportunities in real estate technology. Our survey revealed that overall 45 percent of real estate professionals believe their brokerage firm is interested in investing in digital technologies, and 85 percent of commercial real estate professionals are taking upon them selves to integrate and better understand technology's impact on real estate.



RE:Tech › Future Insight  
2015 Mid Year Report

**On-Boarding Real Estate Technology**

**45%**

real estate professionals believe their brokerage firm is concerned about their digital footprint.

**Commercial v. Residential**

**90%**

real estate professionals believe that residential real estate is more adaptive to technology (SaaS).

**85%**

commercial real estate professionals are taking it upon themselves to educate themselves on technology's impact on real estate.



# Global Transformation of Industries

Since 2010, real estate technology has been moving at a breakneck pace in the United States. Major U.S. cities have been the focus of many of these pioneering technologies, such as New York, San Francisco, and Chicago.

As U.S. based real estate technology companies have focused their efforts on local and national growth, the global technology community has begun creating and launching similar versions of U.S. based companies, gaining first mover advantage amongst the international residential and commercial real estate market.

RE:Tech › Future Insight  
2015 Mid Year Report

**60%**

real estate professionals believe the technology's impact on the global landscape might impact their business.

**95%**

real estate professionals believe that the U.S. will continue to dominate the global real estate technology market.

**75%**

residential real estate professionals believe that marketplace platforms will impact the global landscape.





The U.S. continues to dominate in terms of total number of companies and breakthrough technology. However, not every emerging technology will alter the business or social landscape - but some truly do have the ability to enhance the real estate industry, altering the way real estate professionals and consumers live and work.

Advances in technology have begun transforming the real estate landscape in Asia and Europe, specifically Hong Kong, London, Tokyo, and Mumbai. Similar to the U.S., early stage companies are aiming to solve the residential real estate market with marketplace and curated web platforms.

For consumers, technological efficiency via marketplace platforms has provided a new level of service. In addition to being highly informed, consumers can interact with the digital-physical world more efficiently.

Commercial real estate has also been impacted by innovative technologies. Coworking has become a global phenomenon and curating coworking spaces and unused office and retail space is becoming big business. Mature and urban - dense markets, like London, have become a property technology hotbed for innovation. Software based platforms in office, retail, and finance are evolving rapidly and real estate professionals have begun to take notice.

---

# **Insight & Trends 2015 Q1 & Q2**

A long-exposure photograph of a city street at night. The street is filled with light trails from cars and streetlights, creating a sense of motion. Tall buildings are visible in the background, some with lights on. The overall scene is dark, with the light trails providing the main source of illumination.

Real Estate Tech › 2015 Q1 & Q2

**\$322,461,300**

Total Funding

**\$4,541,708**

Total **Average** Funding Amount

**\$1,400,000**

Total **Median** Funding Amount

**\$3,350,736**

Q1 Average Funding

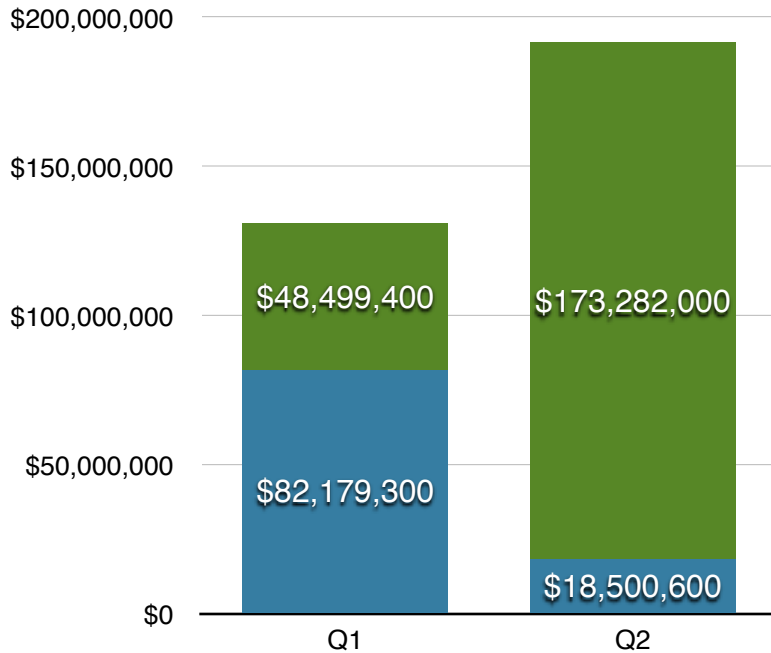
**\$5,993,206**

Q2 Average Funding

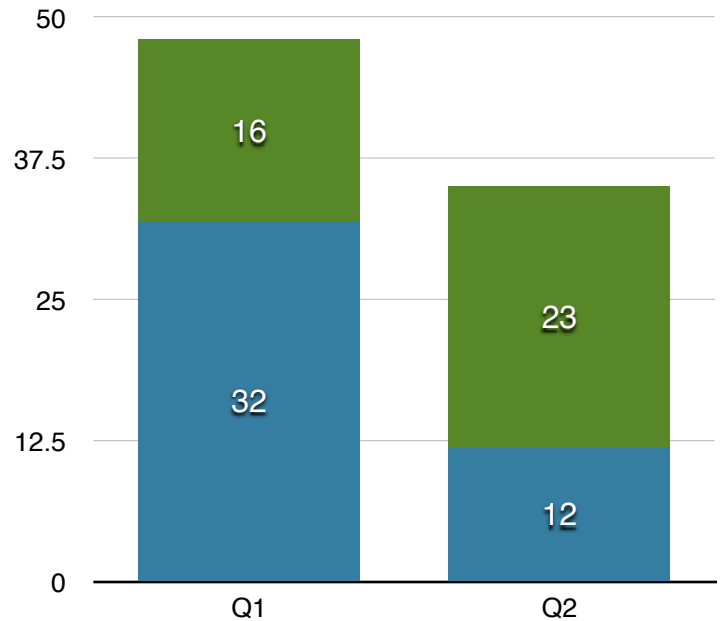
**83**

Total Deals

Total Funding By Sector



Total Number of Invested Companies By Sector



■ Residential ■ Commercial

# Emerging Trends 2015

---

## › Marketplace & Curated Web

The overwhelming emergence of on demand marketplace and curated web platforms has flooded the commercial and residential real estate market.

---

## » Crowdfunding

As independent and midsize investors get pushed to the sidelines, the sector is looking less like the disruptive revolution that was promised.

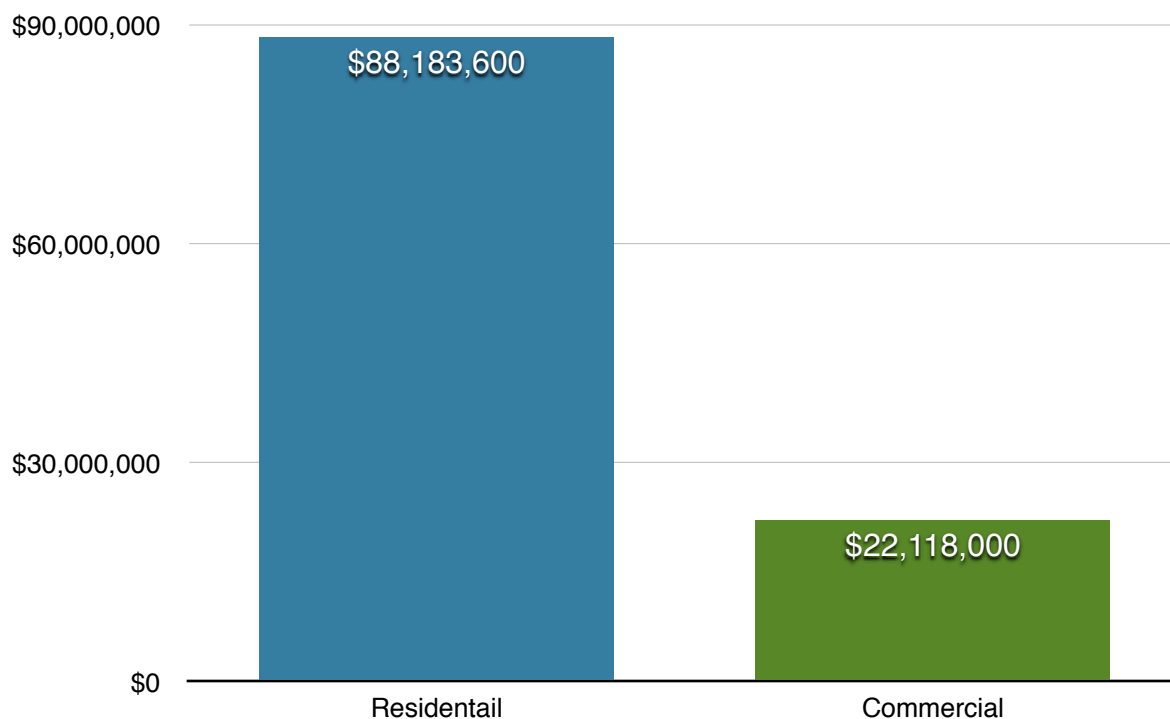
# Emerging Trends:

## › Marketplace - Curated Web

Since the start of 2015, venture capital investors have poured over \$110 million into 41 transactions involving marketplace and curated web companies. Amongst the sector, residential marketplace and curated web companies overwhelmingly dominated the sector with total investments reaching over \$88 million in 31 deals. In fact, residential tech companies outweighed commercial in terms of funded companies, 8/2. Some of the sectors significant deals include Open-door (San Francisco) with \$20 million, Zig Bang (Seoul) with \$18 million, and CommonFloor (India) with \$15 million.

The commercial marketplace and curated web sector gained significant momentum in terms of funding in Q2, with over \$21 million in 8 deals. Collectively, the commercial marketplace and curated web sector received over \$22 million in 10 deals since the start of 2015. Some of the sectors significant deals include RealMassive (Austin) with \$8 million, SquareYards (India) with \$8 million, and Honest Buildings (NYC) with \$5 million.

**Venture Capital Funding › Marketplace & Curated Web**



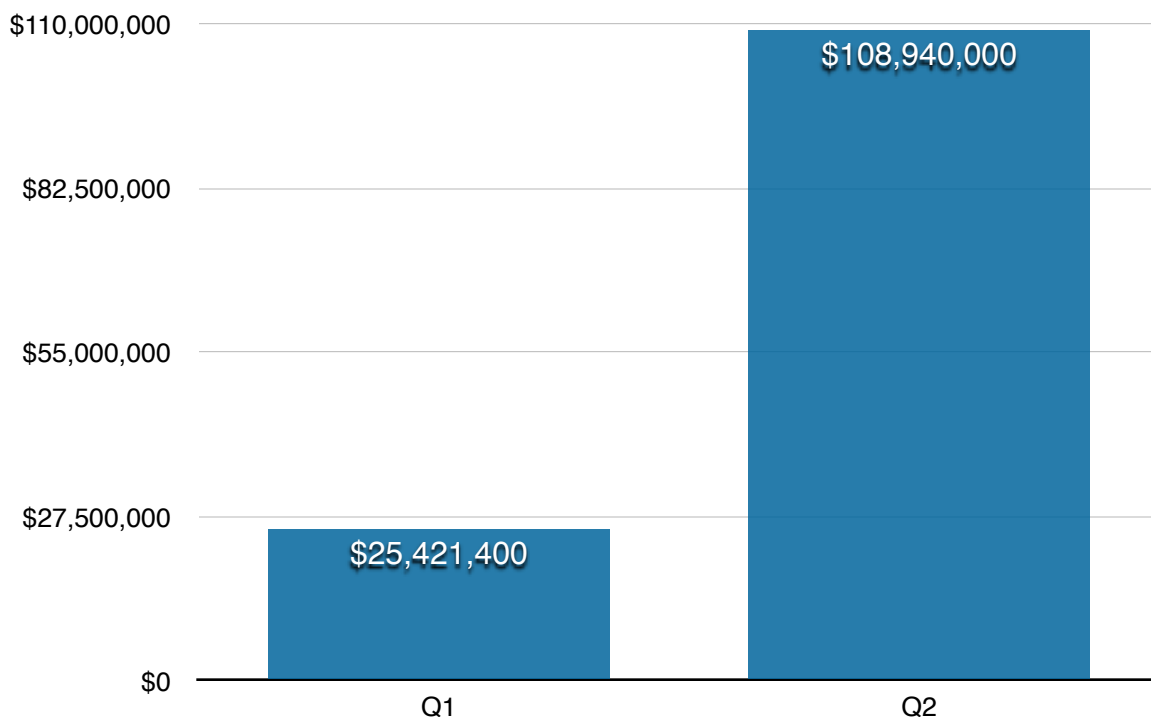
# Emerging Trends:

## » Crowdfunding

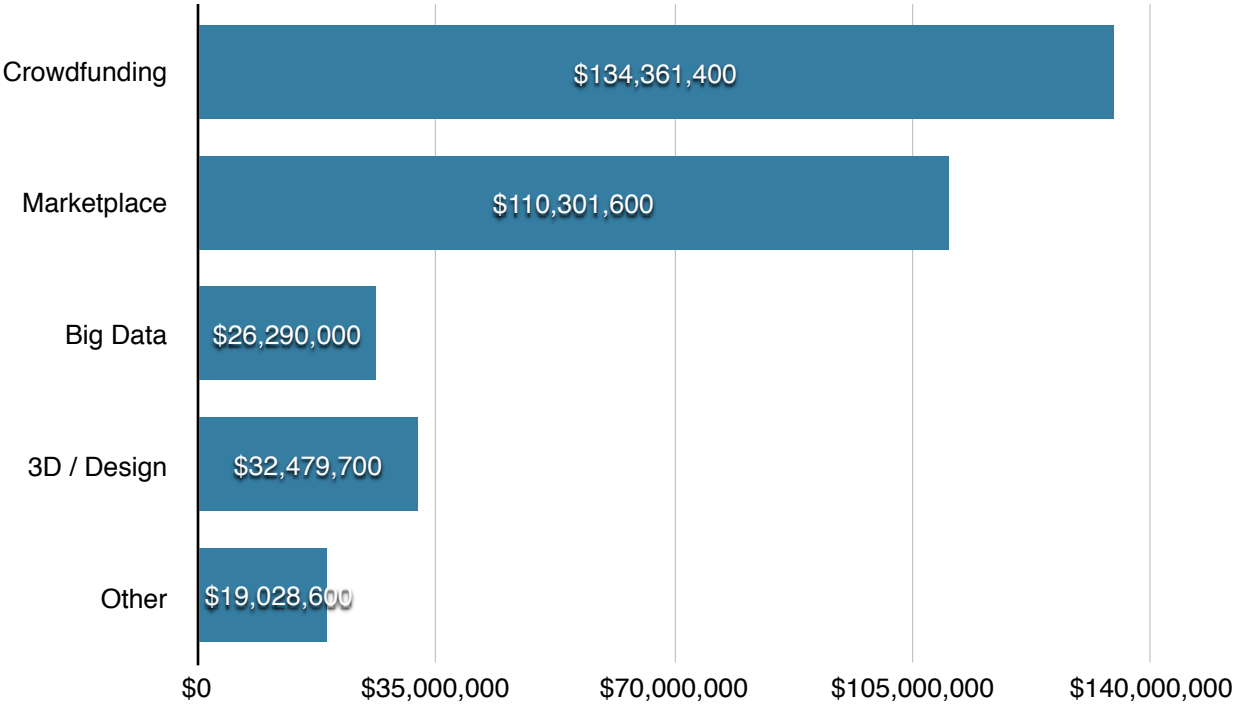
Crowdfunding has been a trending topic since 2010, but traction was slow until September 2013, when Title II of the U.S. JOBS Act legalized real estate crowdfunding by allowing crowdfunding platforms to raise funds from accredited investors, democratizing real estate investment and lowering the barrier to entry for companies coming to market.

Since the start of 2015, crowdfunding has gained significant momentum in terms of funding, raising over \$134 million in 12 deals. The sector has been one of the most active in overall real estate tech funding, capturing over 42% of funds in Q1 and Q2, collectively. Some of the sectors significant deals include Sharestates (NYC) with \$30 million, Cadre (NYC) with \$18.3 million, AssetAvenue (Los Angeles, CA) with \$11 million.

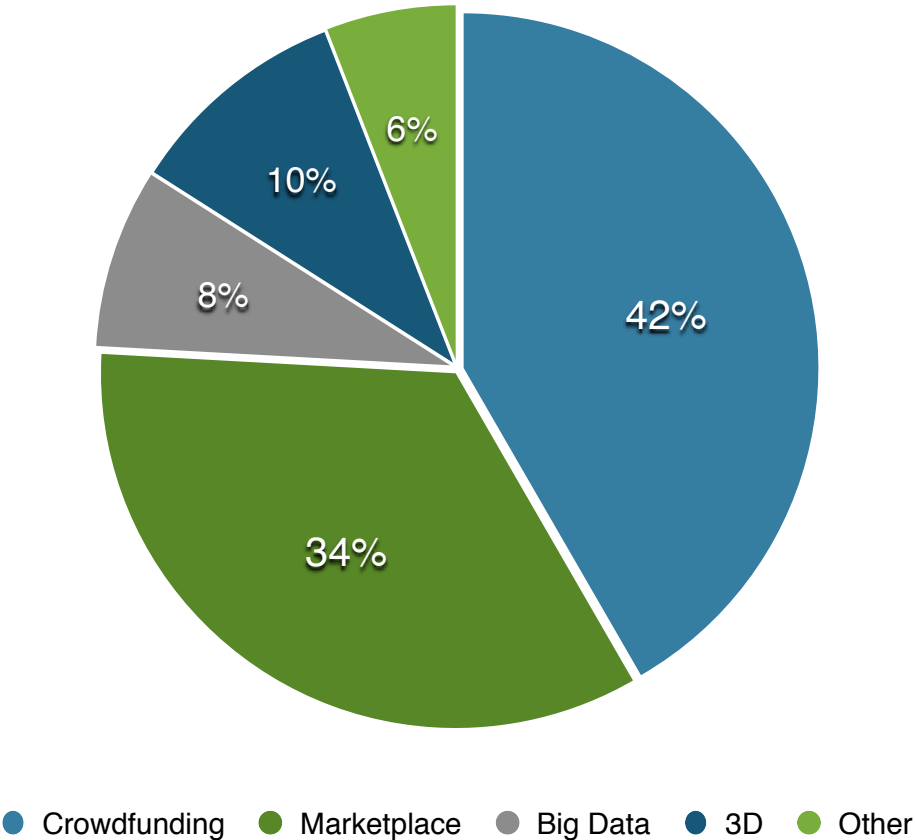
**Venture Capital Funding » Crowdfunding**



Funding by Sector › Marketshare › 2015 Q1 & Q2



Funding by Sector › Marketshare › 2015 Q1 & Q2



# New Real Estate Tech Companies » Q1 & Q2 2015

COMPANY	LOCATION	SECTOR	CATEGORY
Instavisit	San Francisco, CA	Residential	Curated Web
RentSign	New York, NY	Residential	Curated Web
Falkon	New York, NY	CRE - Residential	Data
InHouse	Tuscan, AZ	Residential	Marketing - Design
Crowdhouse	Zurich, Switzerland	CRE	Crowdfunding
Tapu	Istanbul, Turkey	Residential	Marketplace
Sakkini	Abu Dhabi, UAE	Residential	Marketplace
HomeHey	Los Angeles, CA	Residential	Marketplace
Self-Letting	Darlington, Nigeria	Residential	Marketplace
HerbFront	Chicago, IL	CRE	Crowdfunding
MLSMynest	Memphis, TN	Residential	Marketplace
BuildScience	San Francisco, CA	CRE - Residential	CRM
AgentHero	Virginia, NE	Residential	Curated Web
Brickgate	Berlin, Germany	CRE	Crowdfunding
Homies	Toronto, ON	CRE	CRM
EquityMultiple	New York, NY	CRE	Crowdfunding
Squaresold	Washington, DC	Residential	Marketplace
LiveBy	Lincoln, NE	Residential	Curated Web
PocketList	San Francisco, CA	Residential	Marketplace
ImPlaces	Miami, FL	CRE - Residential	Marketing - Design
Abode	New York, NY	Residential	Marketplace
AlgoREIT	Tel Aviv, Israel	CRE	Data
Better.com	New York, NY	Residential	Finance/Mortgage
Hutnest	Kuala Lumpur, Malaysia	Residential	Curated Web - PM
MetroButler	New York, NY	Residential	Curated Web - PM
Jeito	New York, NY	Residential	Curated Web



COMPANY	LOCATION	SECTOR	CATEGORY
NuPad	Los Angeles, CA	Residential	Curated Web
DTEC	Dubai, UAE	CRE	Coworking
Cribcy	Limassol, Cypress	Residential	Marketplace
GeekHut	San Francisco, CA	Residential	Marketplace

# Mega Funding Rounds » 2015 Q1-Q2



**\$1.5 Billion**

Private Equity › Q2 2015

Valuation: \$25 Billion

HQ: San Francisco, CA

Airbnb is a website for people to rent out lodging. It has over 1,000,000 listings in 34,000 cities and 190 countries. Founded in 2008.

---



**\$400 Million**

Series E › Q2 2015

Valuation: \$5 Billion

HQ: New York, NY

WeWork is a provider of shared workspace, community, and services for entrepreneurs, freelancers, startups and small businesses with locations in New York, Chicago, Boston, San Francisco, Los Angeles, Washington, DC, Seattle, Austin, London, Tel Aviv, Amsterdam, and more. Founded in 2010

---

\*NOTE: Airbnb and WeWork funding rounds represent are classified as phenomenons. They have been deliberately omitted from funding analysis.

# RE } Tech



[retech.net](http://retech.net)



[info@retech.net](mailto:info@retech.net)



[@getretech](https://twitter.com/getretech)

