

PropTech

Ashley Tu, Jonathan Hong, Diya Hegde

Agenda

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01

Overview



Overview

What is PropTech?

Making transactions, investments, and operations in real estate and construction more efficient, sustainable, and transparent

Commercial v. Residential

Commercial properties (larger, corporate-owned) & residential properties (homes)

Value Proposition



Data-Driven Insights



Sustainability + Smart Tech



Personalized Property Search



Financing + Investment

Product Suite



Software

Hardware

Builders

Property Management Systems

Utility Management/Optimization

Prefab + Modular Homes

Leasing, Buying, Selling Platforms

Smart Home Security

Materials + Components

Al Automation Applications

Construction Sensors + Robots

Contracting Platforms

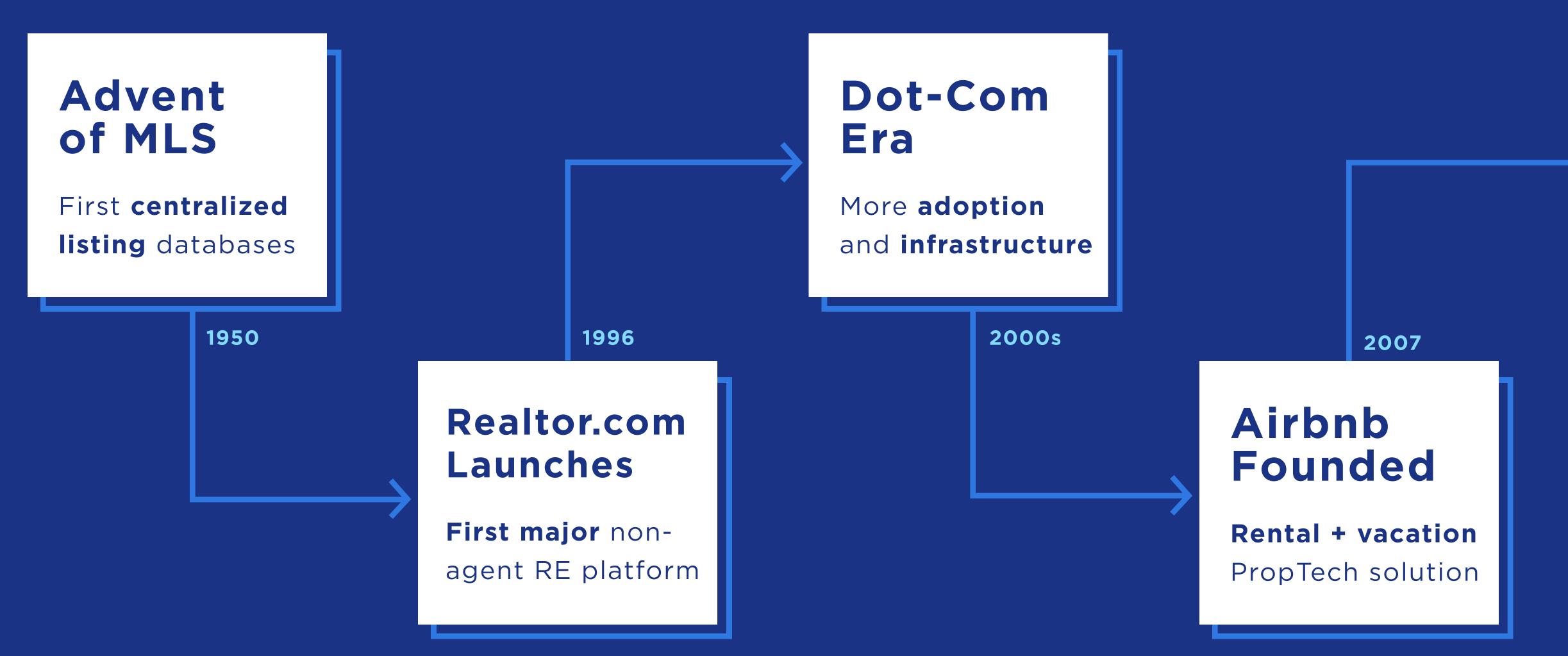
3D Mockups, Property Valuation

Building Monitoring Systems

3D Printing for Components

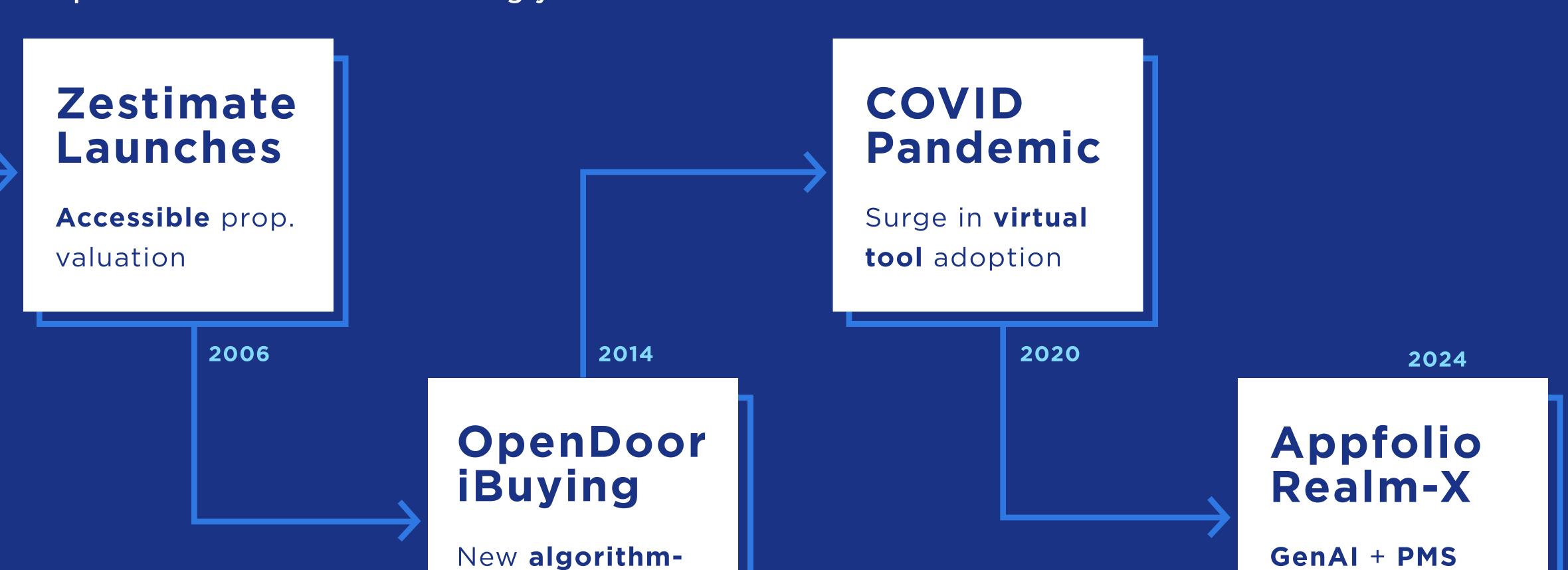
Timeline

Emergence and growing popularity of basic RE platforms



Timeline

PropTech tools become increasingly data-enabled



integration

based prop. model

02

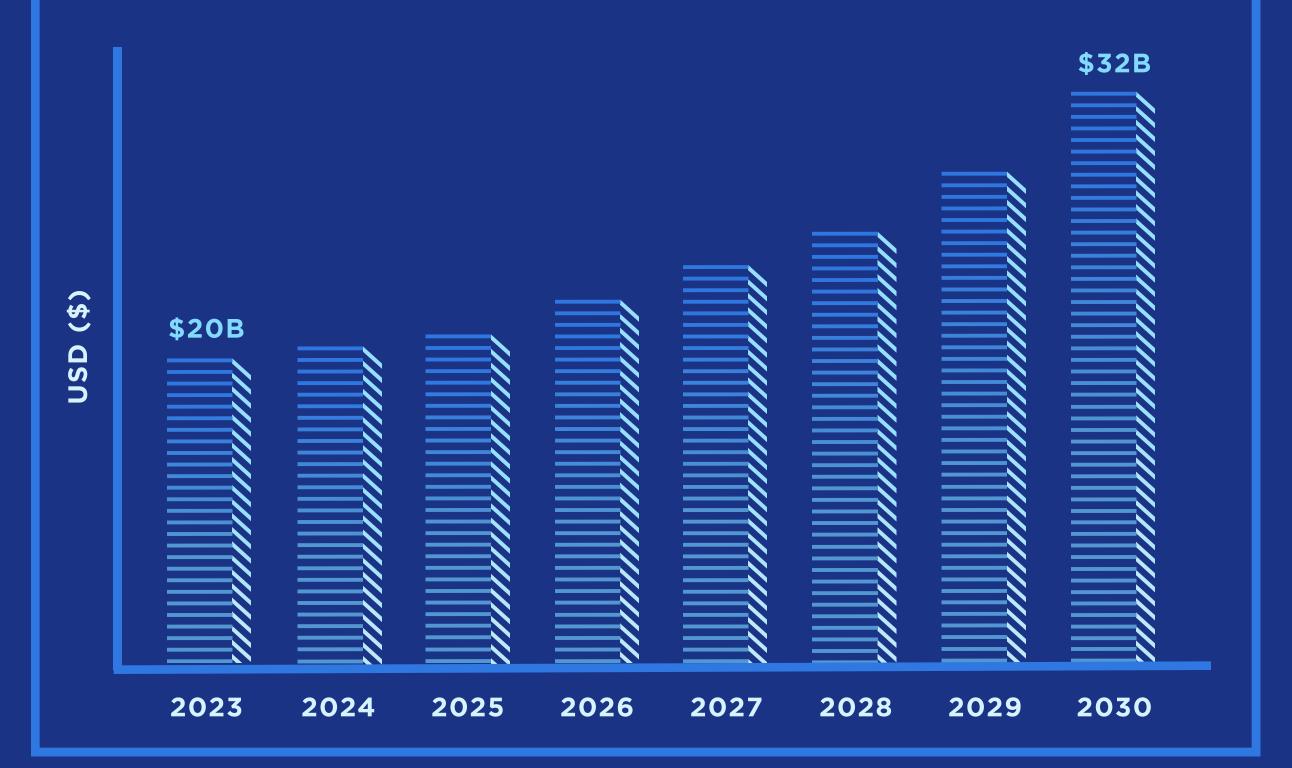
Market



Market

Growth

The U.S. PropTech industry is projected to reach \$32.2B in 2030, growing at a 6.5% CAGR



Market Drivers



Sustainability Pressures

Increased legislative/regulatory initiatives focused on sustainability



Housing Shortages

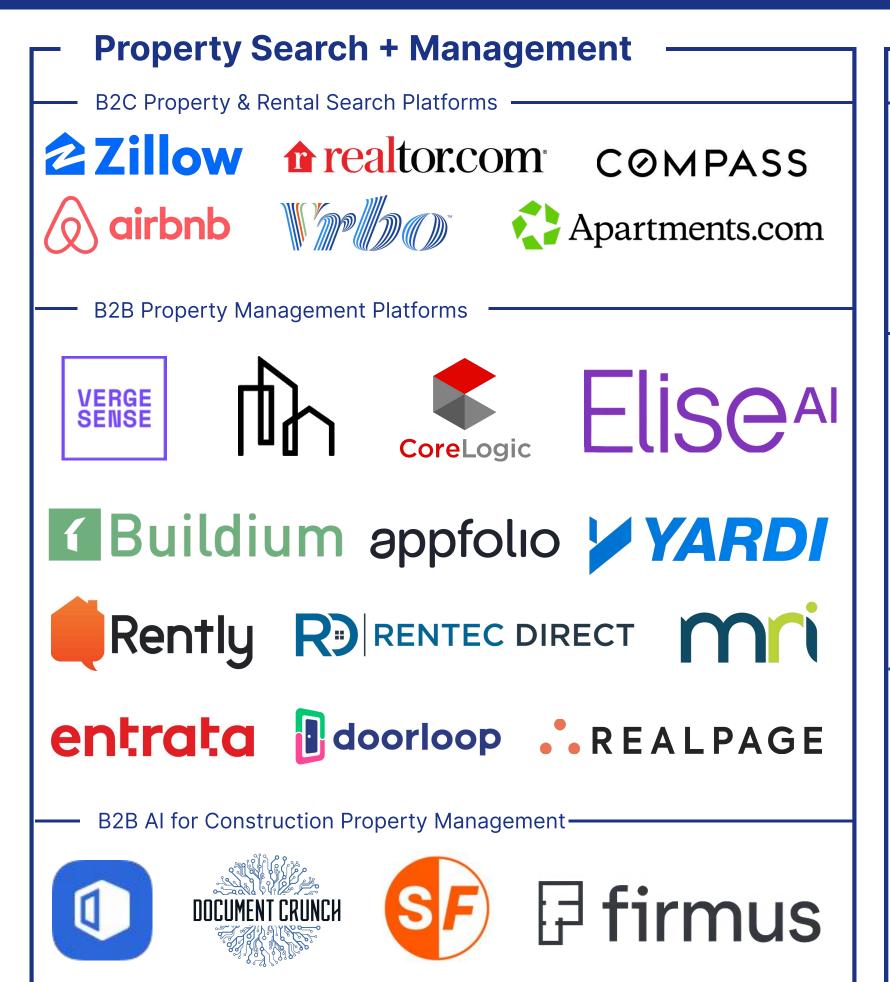
Recent housing shortages, especially in urban areas, are initiating government incentives for increased development



Big Data Insurgence

The recent growth of big data is revolutionizing PropTech through real-time analytics and predictive modeling

Market Landscape







03

Regulation



U.S. Regulations

Current Implications



Commissions (Buyer, Tenants)



Green Building Codes

Regulatory Outlook



Resistance to Sustainability



Affordable Housing Demand

Levels

1 Federal

Dept. of Housing & Urban Dev.



Env. Protection Agency

2 Local (Municipal)

Zoning Laws

Tenant Rights

ESG Enforcement

3 Civilian

Int.l Code Council

National Association of Realtors

Bldg. Owners and Managers Assn.







Recent Headlines

What the Trump Presidency Means for the Housing Market



- Tariffs on building materials + immigration policies may drive up housing costs
- 2 Trump to address housing affordability by construction + approval deregulation
- **20%-40%** of development costs can be attributed to regulatory costs

Reforms Spur Faster Housing Approvals in California



- California is implementing new expedited housing approval laws
- SB 35 streamlines approval for districts not meeting housing quotas
- 3 2023 study proved that SB35 reduced processing time and costs

04

Investments



Investment Activity

Trends

In 2023, VC funds mainly invested in 3 PropTech sectors:



Residential Real Estate



Property Management



Construction Technology

Major M&A's







Zillow acquired Follow Up Boss for **\$500M**



Frontdoor acquired 2-10 Home Warranty for \$585M















Generalist Funds







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Deep Dives





loT Overview

Application

The adoption of IoT in real estate creates a world of "smart properties" that seamlessly **integrate the physical** and virtual world

Can be segmented into residential smart home devices and smart commercial building solutions (B-IoT)

Value Proposition



Smart home devices provide enhanced convenience, security, + safety



B-loT's automation + KPI insights increase equipment uptime + reduce operational costs

Investor Activity

Investors believe **B-IoT offers higher profitability:**large-scale energy management, building automation

Global IoT Market Size

	smart home	B-IoT
CAGR	10.2%	12.3%

Fragmented residential IoT hardware market has higher potential for startup success versus startups entering residential IoT software management market

Segmentation

Smart Home Devices

Product Suite



Impact + Outlook



Smart home technology nets an average 30% ROI for consumers



Winning models focus on building easy to use devices that integrate with existing software (Apple Home Kit, Google Home)

Smart Building

Product Suite











building automation systems

energy management & automation

Impact + Outlook



B-IoT achieves **20-35% energy savings** in commercial buildings, thus reducing costs



Advancements in IoT, AI, and sensors are enabling predictive maintenance, advancing automation, and driving further adoption

B-IoT in Data Centers

B-loT can be used in combination with Al to create more energy-efficient data centers

Pain Points

- Reliability/Uptime Concerns
 80% of data center managers and
 operators experienced outages in past 3
 years, with 43% due to power outages
- High Energy Consumption

 As data amount increases exponentially, traditional data centers' infrastructure struggling to keep pace, rapidly growing need for optimized energy allocation

Key Values



network of physical sensors provide
granular visibility into temperature
and airflow patterns



ML algorithms **auto-adjust for fluctuations** in server workloads to
meet precise needs



Software systems provide **detailed**reports + insights so managers can
deeply understand metrics



Vigilent



SIEMENS VERTIV...



Schneider Electric

Startup Players ____



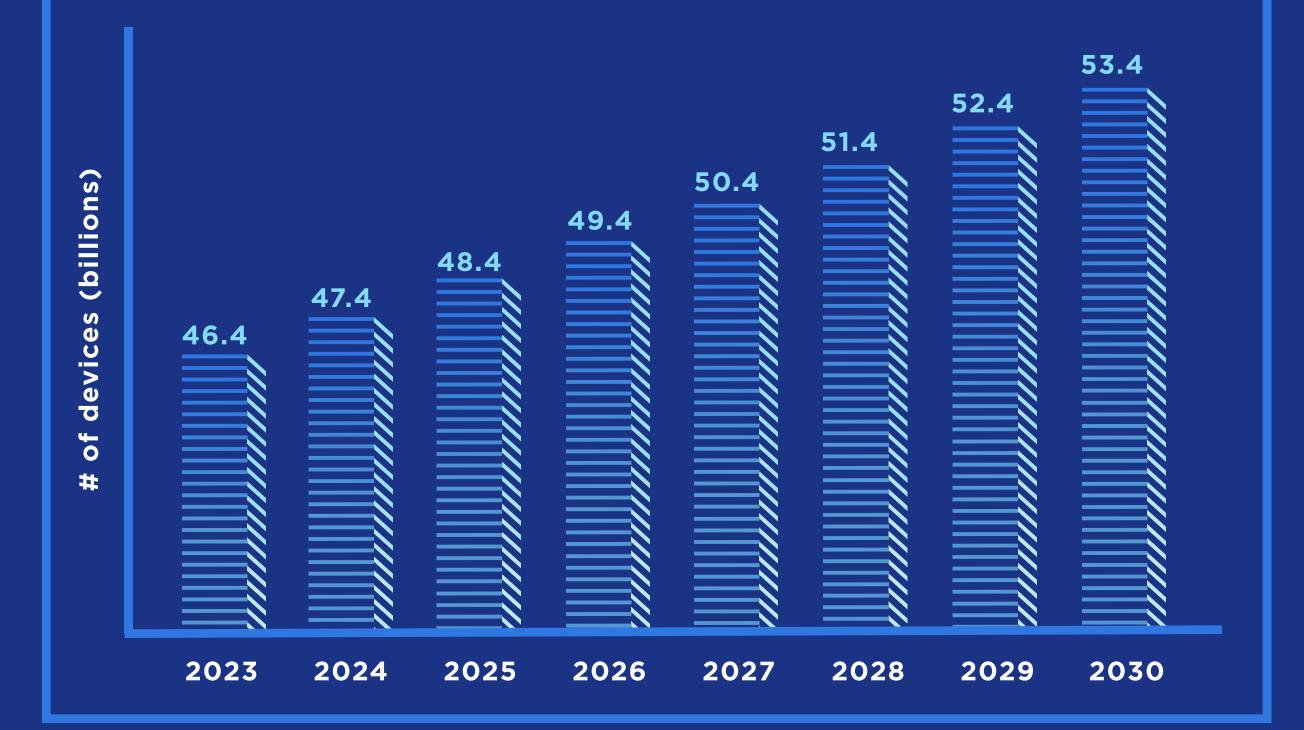


incooling

Market

US Data Centers

US data center market growing at 10.7% CAGR, adjacent market with massive potential for BIoT



Growth Drivers



Demand for Data Centers

The rapid growth of AI is driving demand for data centers, and IoT can **enhance energy efficiency**, reducing the need for new physical facilities



Rebates and Tax Credits

Data centers receive rebates and tax credits for IoT energy efficiency projects, making it easier for data centers to adopt energy-saving technologies

Investment Thesis

Investing in B-IoT

In a case study with **Siemens**, it's "white space cooling optimization" (WSCO) Al-driven, IoT technology reduced the number of data center operating units by **64% for constant speed fans** (cooling systems)

B-lot's value of predictive maintenance to foresee and prevent equipment failures is critical, with the average cost of data center downtime at \$9,000 per minute

With data creation increasing at a 23% CAGR, B-IoT solutions for data centers are a strong investment

B-IoT Risks



Risk of cyberattacks/data breaches from vulnerabilities in data center network



Must seamlessly integrate into existing BMS, or else will have high **interoperability issues**

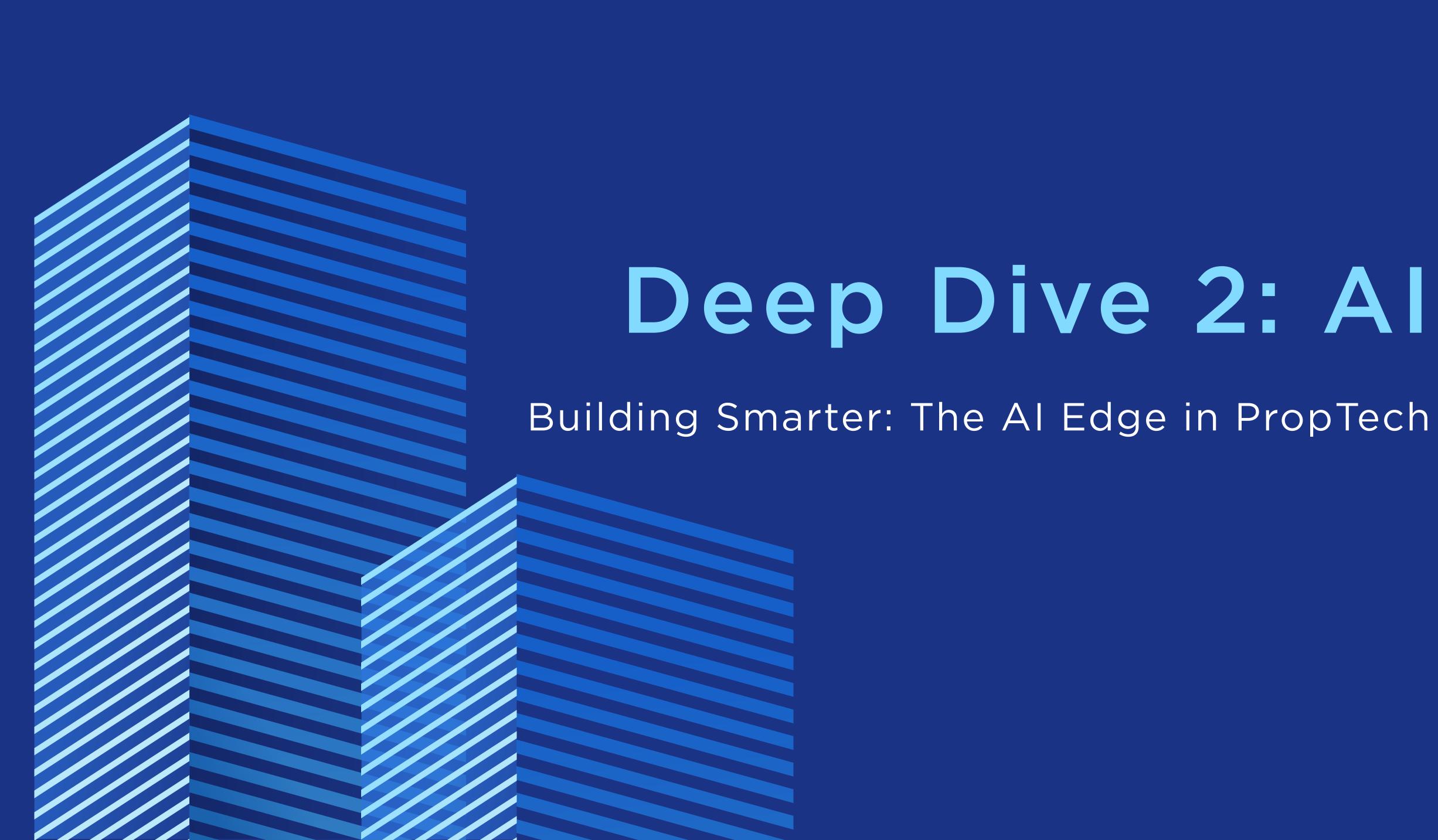
Potential for Smart Home



Established software platforms, but fragmented hardware devices market as incumbents struggle to create devices with high retention rate + traction



Startups have room to fill this market gap, but must create devices that adopt standard IoT protocols



Al Applications

Value Proposition



Al can process vast datasets, identify patterns, and provide actionable insights



Helps make proactive & informed decisions, minimizing operational risk as well as cost

Pain Points



Manual, error prone processes



Fraud + Financial Risks



Compliance challenges

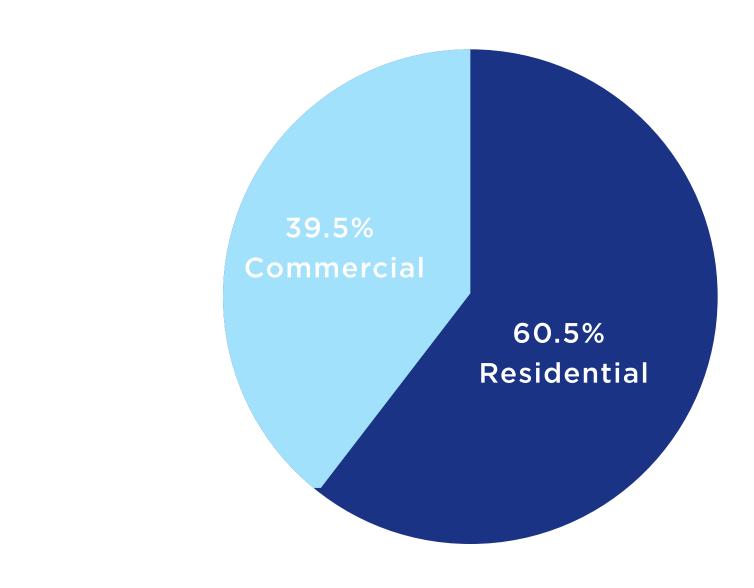


Operational Inefficiencies

Market Size

CAGR: 22.8%

(2024-2033)



Breakdown

Insights



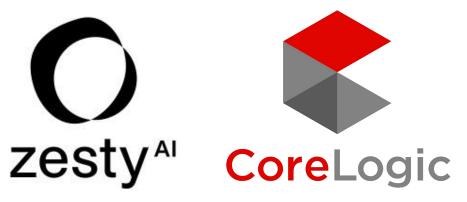
Streamlines contract review

and provides actionable market insights for investors



Automates data processing and analysis, reducing manual effort + saving valuable time





PMS



Deeply analyzes patterns in order to forecast tenant and landlord behavior



Predicts building maintenance needs, allowing buildings to cut costs





Leasing Agents



Agents can save time managing reminders for appointments + follow-ups



Al agents proactively help in optimizing engagement and lead conversion





Key Players



\$17.7M funding // **\$22.4M** valuation

Al-driven platform that analyzes operational data to identify cost-cutting measures.

Examples of use include:

- Identified over \$200,000 per year in water costs in 9 buildings
- Achieved \$219,000 savings in 3 months for Jacksonville PE firm

Eliseal

\$171.7M funding // **\$1.03B** valuation

Al leasing assistant that can text, call, and email prospective buyers, as well as a centralized property management platform.

- Boosts tour bookings 125%, decreases overdue payments 50%
- Used by **70%** of the top 50 US rental housing operators

Investment Thesis

Challenges

Data Privacy **Prediction Reliability** Migration Cost







Strengths

Cost & Time
Efficiency



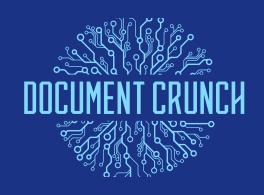
Rapid Al Advancement



Do not Invest

Compliance Companies

Contract/document processing isn't specific enough to PropTech for PropTech-specific companies to maintain defensibility, these companies will get absorbed into RegTech



Invest

Property Management



Al's ability to **predict repairs**and **provide insight** for
landlords and insurance
companies is revolutionary

Leasing Agents

Elise

Al applications give agents the ability to secure top-of-funnel prospects that would otherwise be lost



Deep Dive 3: ConTech

Building the Future, Smarter and Faster

ConTech Overview

What is Construction Tech?

Making construction more efficient,

safe, sustainable, and cost-effective

Market Outlook:

CAGR: 16.9% (2023 - 2033)



Breakdown

Design

- Design buildings efficiently
- Oversaturated
- Dominated by AutoDesk
- Green-driven

PMS

- End-to-end cost + time management
- Oversaturated
- Dominated by ProCore
- Al-driven

On-Site Tools

- Data, compliance, communication
- Hardware-focused
- Sufficient room for innovation and disruption

Developers

- Better, cheaper
 materials + homes
- Scalability issues
- High entry barriers
- Innovation-driven
 (e.g. 3D printing)













Investing Landscape

Investment Distribution Supply Chain (8%) Future Tech (7%) Enhanced Green Productivity (54%) Construction (31%)

\$119M total funding // **\$320M** valuation



Materials tech company developing a low-cost, low-carbon cement

\$105M Series A // \$146M total funding



Creates **3D underground maps** using advanced sensors, drones, and Al

Tailwinds

Sustainability

Long-term shift to sustainable, energy-efficient buildings and materials



Developing Tech

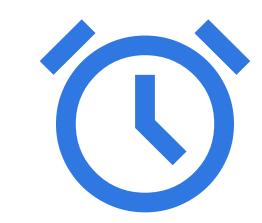
Strong demand for AI
integration + developing
technology (3D printing)



Headwinds

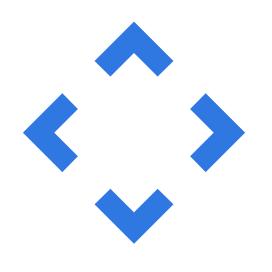
Slow to Adopt

Low-margin and risk-averse construction firms reluctant to integrate new tech



Scalability

Deep tech is capital-intensive; construction firm industry highly fragmented



Investment Thesis

Growth Opportunity



Deep Tech



Adoption



Scalability

Strong opportunities in **developing tech** areas:

- 1 Al integration
- 2 3D printing
- 3 Models

Major challenges for widespread adoption:

Important Traits:

- 1 Proven cost savings
- 2 Scalable pricing

Difficulty scaling across fragmented industry

Important Traits:

- 1 Easy deployment
- 2 Sticky customer base

Exits



Exit Landscape

Acquisitions

Easiest path to exit b/c of acquisition-focused PropTech players:

- Smart homes (Amazon + Google)
- Marketplaces (Zillow)
- Design (AutoDesk)



Few publicly-listed PropTech companies (majority are iBuyers)

IPO unlikely for non-iBuying because of less appeal to public markets





Final Thesis

Growth Opportunity



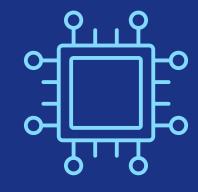
Housing Demand

Trump has promised:

- 1 Loose zoning regulations
- 2 Affordable housing

Meeting housing shortage increases

PropTech demand



AI Trend

Al growth will drive PropTech via:



Integration

opportunities



Data centers'

B-IoT demand



Green Future

Green standards will increase demand for:



B-loT solutions



Greener building

materials + design