



The real estate tech revolution marches on

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The past few years have been exciting times for the real estate technology community. Real estate tech companies of all shapes and sizes have come to market with new, innovative products and services that are taking hold in the space. These companies' successes are a testament to the hard work and dedication of their teams and the incredible tech advancements they are creating for the real estate industry. Not surprisingly, public interest in real estate technology has correspondingly trended up with new developments, and continues to reach new peaks. With heightened interest has come increased investment in the sector, which is helping to ensure a bright future for real estate tech moving forward. In fact, 2014 has already been headlined by blockbuster real estate technology deals - from industry behemoth Zillow's acquisition of competitor Trulia to global media juggernaut New Corp.'s purchase of Move, Inc. Foreign real estate technology companies have also gotten in on the act. All in all, market events and gargantuan deals are highlighting a true coming-of-age moment for the real estate tech revolution as it continues to build, grow the ranks, produce a new generation of generals and march onward!

Real estate and technology were made for one another. Real estate technology's ability to speed communication and information transfer, broadly market to the masses, and quickly provide data and analysis has raised a myriad of possibilities for assisting real estate professionals and the public. Similarly, a captive real estate industry audience offers a sizable target market for real estate tech firms. Although the industry has been characterized as a lagging adopter of technology, today, that notion could not be farther from the truth. Real estate professionals know that to remain competitive, they must take advantage of technology's time and money saving benefits, including the Internet's incredible marketing reach capabilities. For example, Agorafy users realize time and money savings by regularly reviewing our current market data to quickly inform their real estate decisions, harness the power of our open platform to broadcast their commercial and residential listings and professional experience to the public, and utilize our rich feature set to speed connection with colleagues and clients.

The investment community has also taken notice of the public groundswells and the real estate tech sector's promise and is helping to buttress the sea change shift to an increasingly tech savvy real estate industry. This week, CrunchBase's Christine Magee conducted an analysis of recent venture capital and other investment in real estate technology. In her report, Magee notes that "venture investors are more eager than ever to get in on the market, putting up nearly \$300 million in over 30 venture deals for real estate tech startups in [Q3 2014]." Magee explains that "[t]his is more than double the investment total previously captured in a single quarter...." Recent spikes in investment follow some already amazing deals in the real estate tech world, both in the U.S. and abroad.

For example, no deal this year was quite as big or as intriguing as Zillow's bid to purchase Trulia. Up until recently, Zillow and Trulia operated the two largest competing online real estate and

home-related information platforms in the U.S. However, in July 2014, Zillow revealed its intent to acquire Trulia in a \$3.5 billion stock deal. According to Zillow's press release, the two companies' combined revenue represents 4 % of the estimated \$12 billion real estate professionals spend on marketing their services to consumers each year. CEOs Rascoff and Flint are optimistic that they will be able to leverage the two sites' sizeable, combined monthly unique visitors to grow that percentage. Presuming regulatory approval, the Zillow-Trulia deal is expected to close in 2015.

Not to be outdone, in September 2014, Rupert Murdoch's News Corp. acquired Move Inc. in a \$950 million all cash transaction. On September 30, 2014, the Wall Street Journal identified Move, Inc. (home to Realtor.com) as the third most-trafficked website network for property listings in the U.S. According to comScore Inc., Move had 25.8 million unique visitors in August 2014. Notably, News Corp. owns a controlling stake in REA Group Ltd., which operates the Australian residential-property website realestate.com.au. The WSJ quoted News Corp Chief Executive Robert Thomson as saying that "[d]igital real estate is an important pillar of our global digital strategy[...]", also adding that he believes there is "enormous opportunity" for growth in the online U.S. real-estate market. These big headlines have provided added credence to and confidence in real estate tech, thereby, generating positive synergies for real estate tech firms everywhere.

Internationally, real estate technology firms have also been successful at attracting capital. Based on Ms. Magee's research, foreign companies represent some of the top funded real estate tech startups this year. For example, in February 2014, Brazil-based VivaReal raised a fifth funding round to total \$33.1 million. In June 2014, China's Fangdd, a Shenzhen-based real estate operation service platform, announced it had secured \$80 million of Series B financing. Argentina's Navent raised a \$20 million Series C round in August 2014. Thereafter, Bangalore, India based property portal, CommonFloor.com, announced \$30 million in funding from American hedge fund Tiger Global Management in September 2014. Said rounds are a strong message that, globally, real estate technology is a great area for investment and innovative change.

So what is the takeaway? The real estate technology sector's growth is positive and should continue, particularly for innovations that help make the real estate process easier for real estate professionals and the public. Real estate technology has piqued the public's interest. Now, today's newest real estate tech firms must work to exceed expectations, take the flag, and lead the charge in the next chapter of the real estate tech revolution!

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