



Proptech trends in a Coronavirus world - by Oded Eliashiv

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With COVID-19 continuing to change how people live and work, perhaps permanently, innovative Israeli proptech companies are stepping up to serve the evolving needs of building owners, managers and developers.

According to IVC Research Center, there are approximately 8,300 active startups in Israel. These include a growing number of proptech companies, some of which are already active in the U.S. market.

Below are four emerging trends, and the Israeli-based startups that are helping lead the way:

1. Virtual Building Tools

In the U.S. and elsewhere, virtual building tools are increasingly being used to market properties when prospective clients are unable to visit showrooms or meet with brokers. One startup that is focusing on enhancing virtual marketing for new developments is Tel Aviv-based Augmind, which developed its own proprietary technology for creating realistic and dynamic Augmented Reality (AR), Virtual Reality (VR), and Mixed Reality (MR) applications.

The Augmind platform also enables users to design their own virtual room. For example, they can choose which couch to place in the living room and change its colors, modify the lighting, and even choose their own kitchen. This allows developers to engage with their clients more effectively, as well as gives real estate professionals the ability to offer a unique experience and perspective to potential buyers from anywhere in the world.

Virtual building tools have also become very popular, and in some cases the only way, to view existing homes for sale or rent during the pandemic. Leading residential real estate companies that have embraced this method include Compass, Brown Harris Stevens, Keller Williams and Corcoran.

“Technology is a tool for agents and brokerage companies. It helps enhance what we’re doing every day, and the services and value we bring to our clients and customers,” Corcoran president and CEO Pamela Liebman recently told a virtual audience at PropTech Nation. Sponsored by Tel Aviv- and New York-based venture capital firm BuiltUp Ventures, the virtual event focused on rebuilding the property sector in a new COVID-19 reality.

Liebman said, “There aren’t too many people who want to buy multi-million dollar apartments without being able to see them (due to COVID-19), but deals did get done. Because of the new camera and virtual reality technology that was available, we were able to pivot quickly to online showings.”

Online listing sites Redfin and Zillow also reported positive second quarter numbers “in part because virtual tours have become so effective,” according to a recent CNBC.com article.

2. Automated Building Services

“No touch” automated building services now being employed in residential and office buildings throughout the world include property management platforms that can anticipate building occupants’ needs and remotely adapt to changing circumstances, such as reduced air quality and rapid temperature fluctuations.

One Israeli company spearheading this technology is MyTower, which uses artificial and business intelligence tools to analyze a property’s data and develop better maintenance systems, as well as improve the management of people and their experiences within a building. The platform can monitor visitors, vehicles, deliveries, and other services, as well as remotely facilitate tenant communication and report maintenance issues.

MyTower’s platform was able to quickly adapt to COVID-19 and provide new amenities, services and ways of communication during Israel’s quarantine period. This enabled property owners such as Gindi Capital to maintain efficient and cost effective facility and tenant management amid new government laws and public fear, while upgrading the experience of residents and the way they live in more than 200 buildings in Israel.

For GindiTLV, a residential community in Israel with more than 1,400 apartments, MyTower operates a shared platform for building management and tenants, offering the ability to communicate via email, push notifications, and SMS to owners and tenants in a quick and easy way. With COVID-19, Gindi was able to utilize the platform to effectively communicate with tenants and quickly adapt to the changing landscape, while continuing to safely operate common facilities and public spaces such as gyms, tenant clubs and more. With the MyTower platform, Gindi was also able to offer new at-home concierge services, deliveries from local suppliers, and more.

3. Blockchain Financing

On the fundraising side, several companies are now digitally raising financing for building projects through blockchain-based securities. SolidBlock, which has offices in Jerusalem and New York, utilizes real estate asset tokenization to transform real estate into a tradable financial product, giving investors the opportunity to buy shares in a property without owning the entire asset.

Recently, the company partnered with UK investment firm London Chelsea Limited to raise financing for London Digital Bond, a new property company that invests in prime residential real estate in London. This was SolidBlock's first tokenized project in the UK, and the first time a single-family fund was financed through blockchain-based securities. The company is also known for tokenizing the St. Regis Resort in Aspen, Colorado, the first commercial property in the world financed this way.

4. Real Estate Crowdfunding 2.0

As the need for remote investing continues to grow due to the impact of COVID-19, sophisticated investors are increasingly looking online for vetted opportunities. Pioneers in this area include OurCrowd, an equity crowdfunding platform that enables people to invest in global startups and receive the same terms as VCs and institutional co-investors.

Established real estate crowdfunding platforms include Fundrise, Realty Mogul and CrowdStreet. A majority of these types of platforms provide information on their investment properties, but most do not have such increasingly sought-after online tools as videoconferences, webinars with company leaders, and in-depth research on where the market may be headed. However, a new Israel-based equity crowdfunding platform scheduled to launch soon will provide exclusive access to the country's most promising proptech startups, combined with in-depth research and market knowledge.

Now more than ever, technology is becoming essential to real estate owners, managers and investors, and cutting-edge Israeli companies are at the forefront of this disruption.

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