



NINEFOUR VENTURES

PropTech Themes

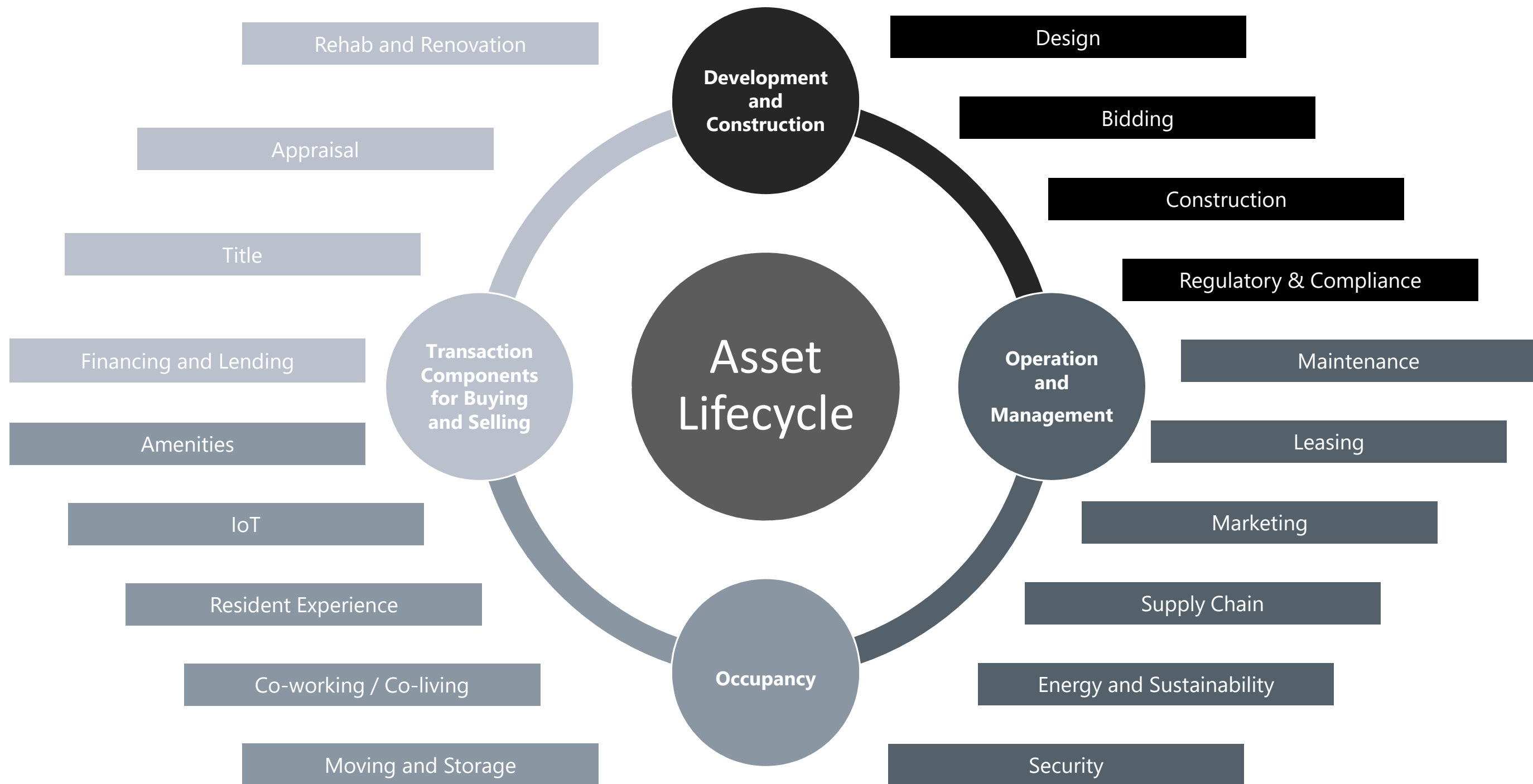
June 26, 2019

What is PropTech?

Real Estate Tech, PropTech, or ‘property technology’, refers to **technologies that impact the built world and the people, processes, and ecosystems that interact with it**

PropTech represents the **intersection between the digital and physical**, which can involve a **tenant, landlord, property manager, lender, regulators, service providers, and physical real estate, including the environment**

The space broadens when you consider the breadth of opportunities across the lifecycle of an asset * the different real estate asset classes (resi, MF, office, industrial, hospitality, etc.)





Real estate is the world's largest asset class...

Global real estate universe in comparison



Source: Savills World Research

Publicly owned Real Estate has a market cap of about \$3T. That means roughly 99% of Global Real Estate is privately owned

China accounts for nearly 25% of this value with ~20% of the world's population. 21% is allocated in N. America despite being spread across ~5% of the world's population.

...yet it's largely untouched by technology

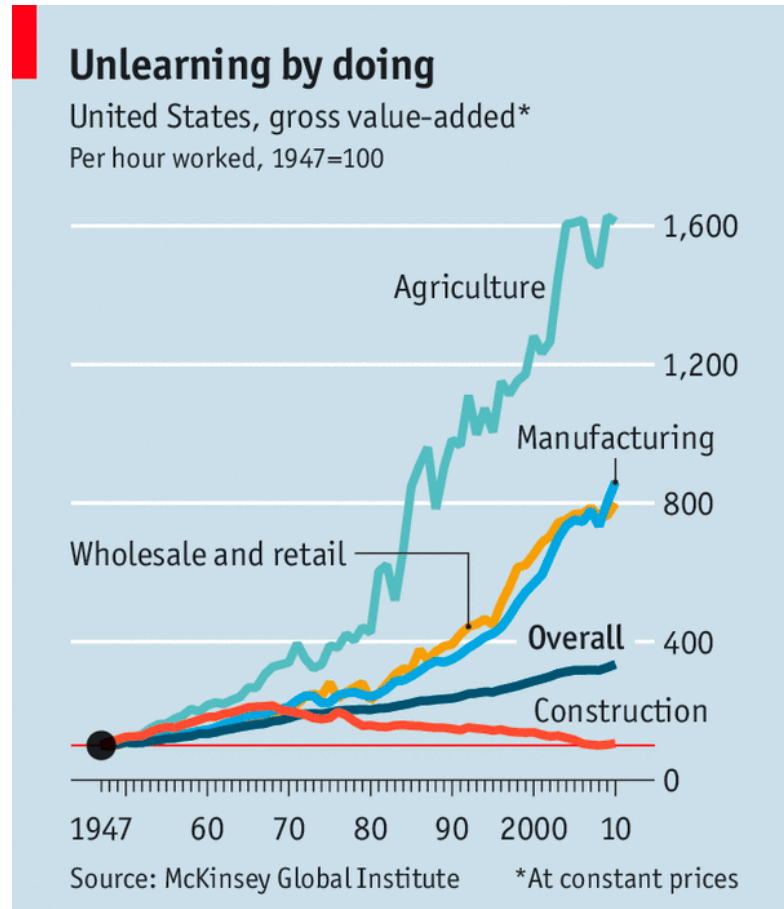


This is Mary Meeker...

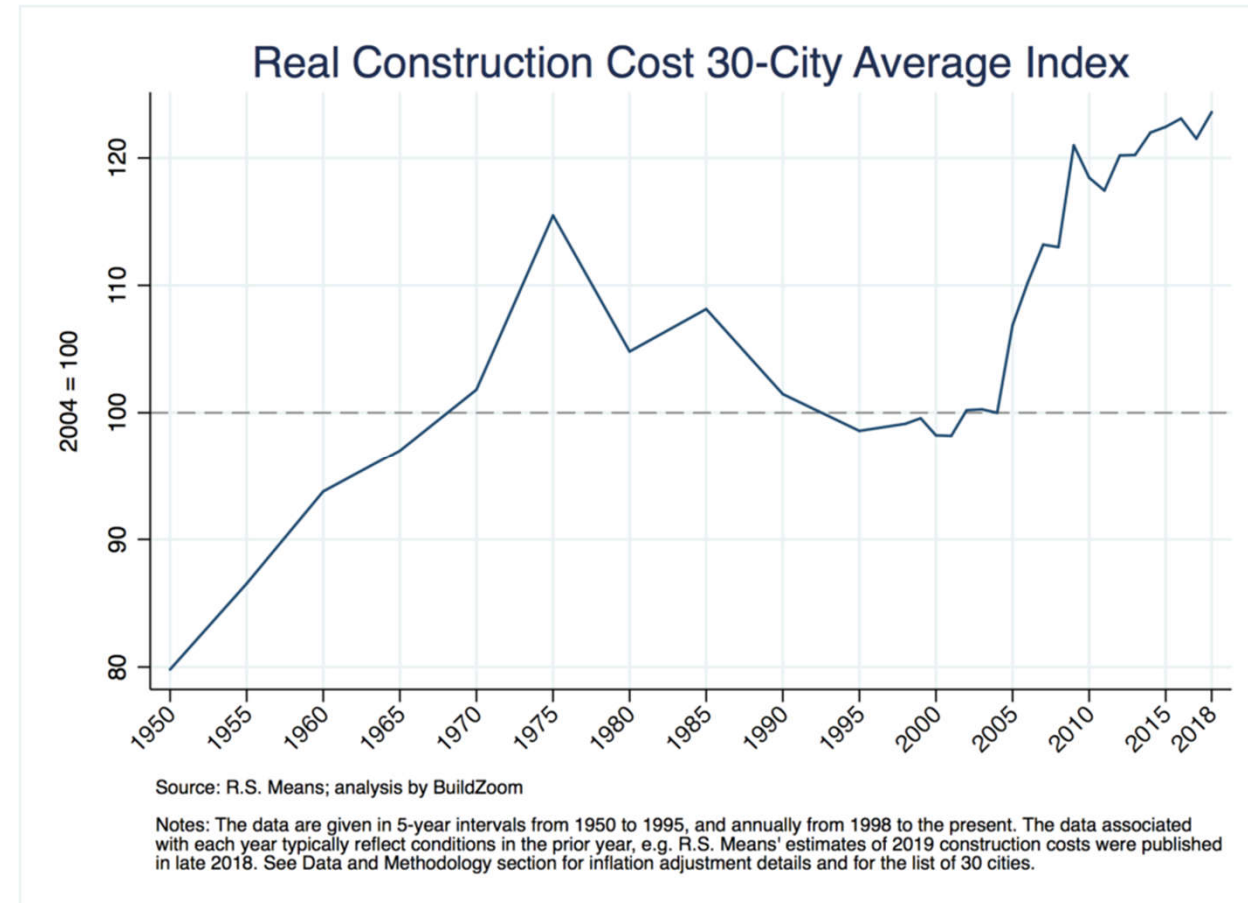


Her 2019 report was 334 slides, so I'll try to keep this one (very) brief.

We can't build affordably.



Economist.com



- The US construction industry is **less productive today than in the 1960s**
- **Construction costs have risen 23.6% since 2004²**
- **Modular? Prefab? 3D printing??**

Sources:

¹The Economist "The Construction Industry's Productivity Problem" Aug. 2017

²Tenercenter.Berkeley.edu

We can't build affordably.

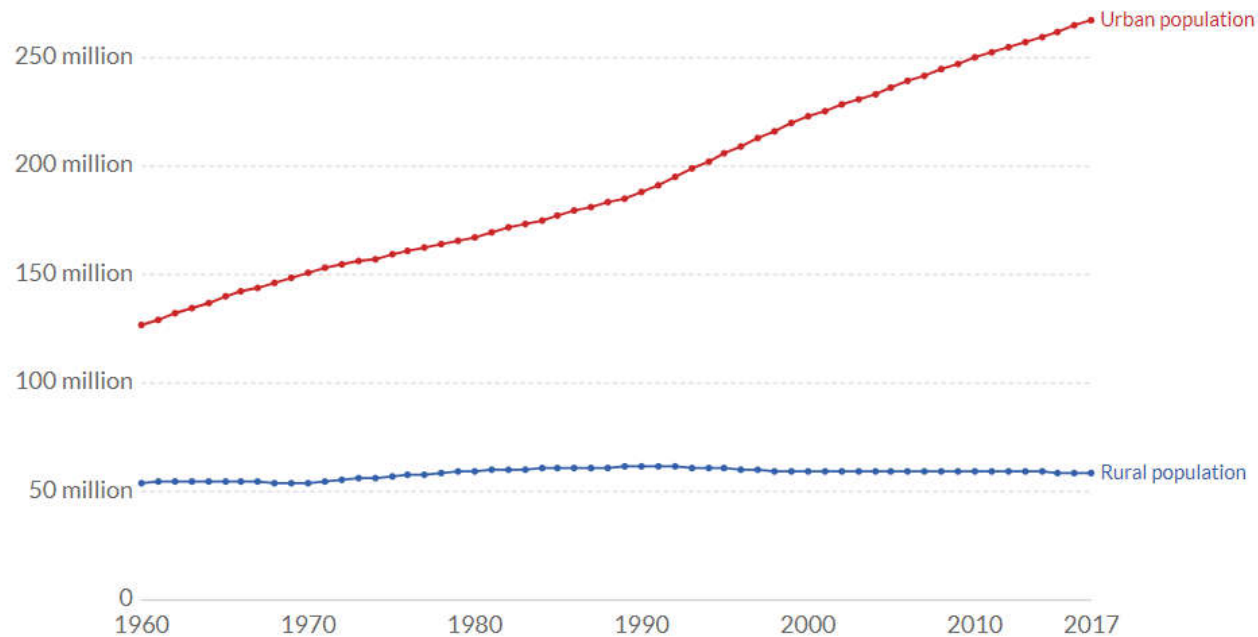


We can't afford to live where we want.

Urban and rural population, United States

The total number of people living in urban or rural areas. Urban populations are defined based on the definition of urban areas by national statistical offices.

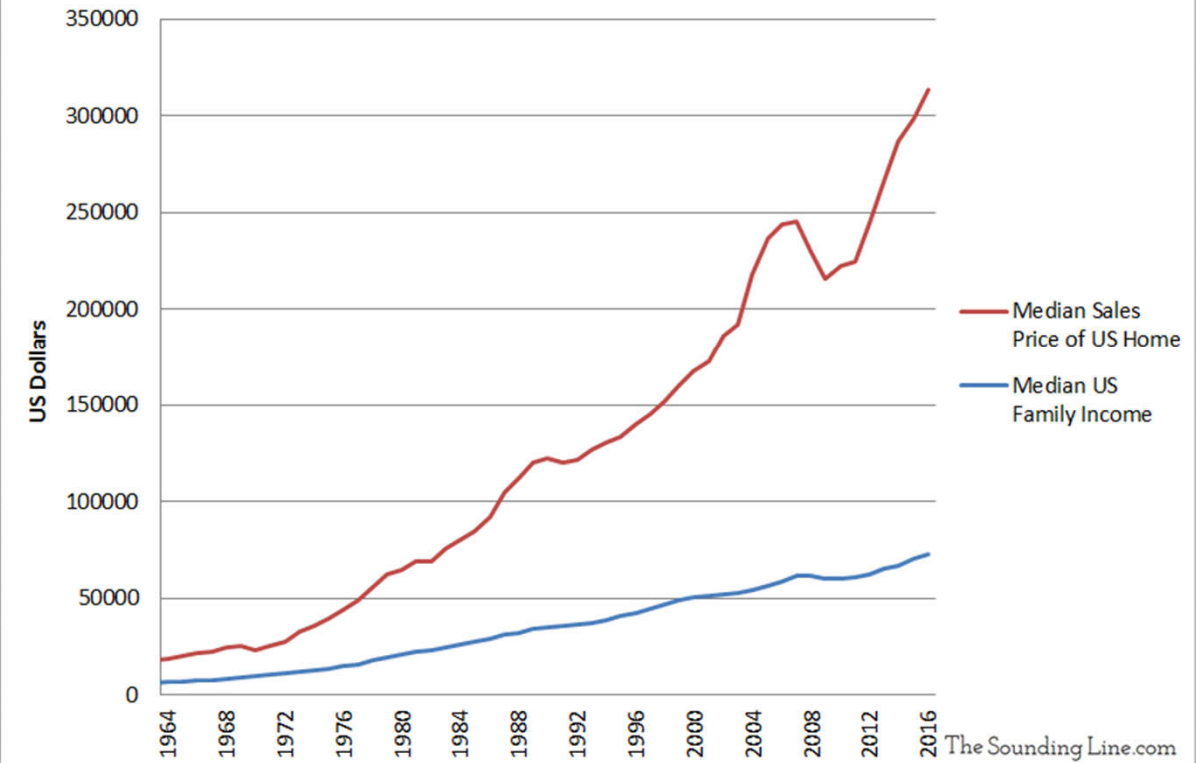
Our World in Data



Source: World Bank, based on UN estimates

CC BY

Median US Home Prices and Median Family Income



The Sounding Line.com

- Example: **70% of housing in Portland, Oregon, is single-family homes.** The result is a severe shortage of affordable housing.
- **Tourism hubs can also impact home prices:** Nashville is estimated to have 5,000+ short term rental units for what would've otherwise been traditional multifamily.

We're getting older...and lonelier.

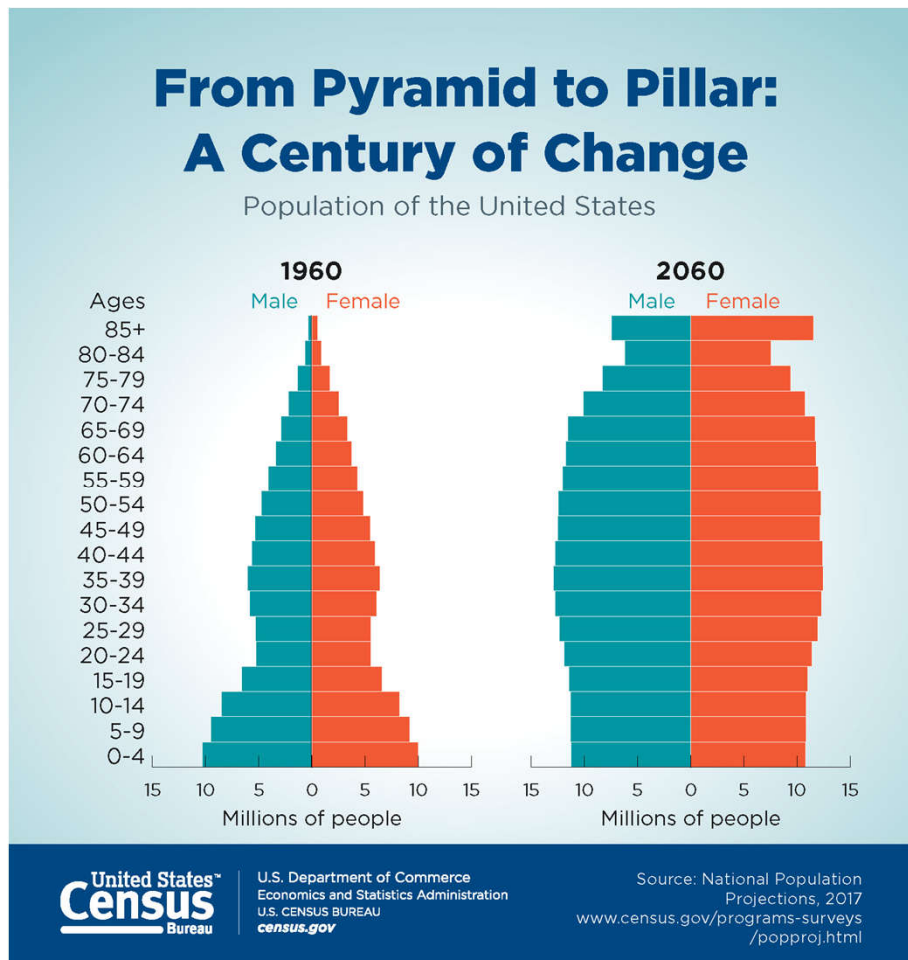
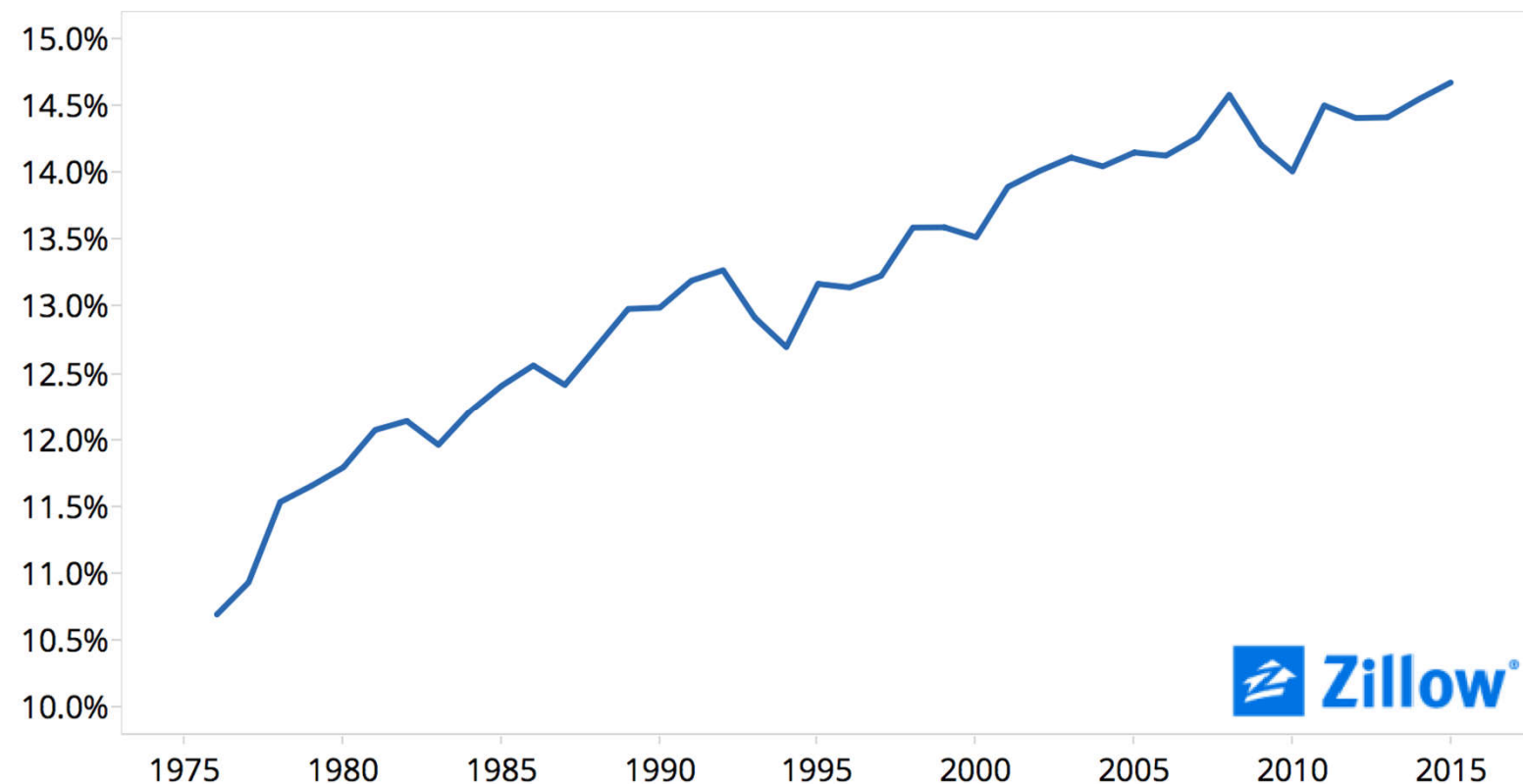


Figure 1: Share of Adults Living Alone, 1976-2015



Source: Zillow analysis of U.S. Census Bureau, Current Population Survey, March Supplement, 1976-2015 and American Community Survey, 2005-2015 made available by the University of Minnesota, IPUMS-USA.

- **By 2060 the number of Americans that are 65+ will more than double**
- In Japan, **18.4M adults live alone** (2x the amount of 30 years go)

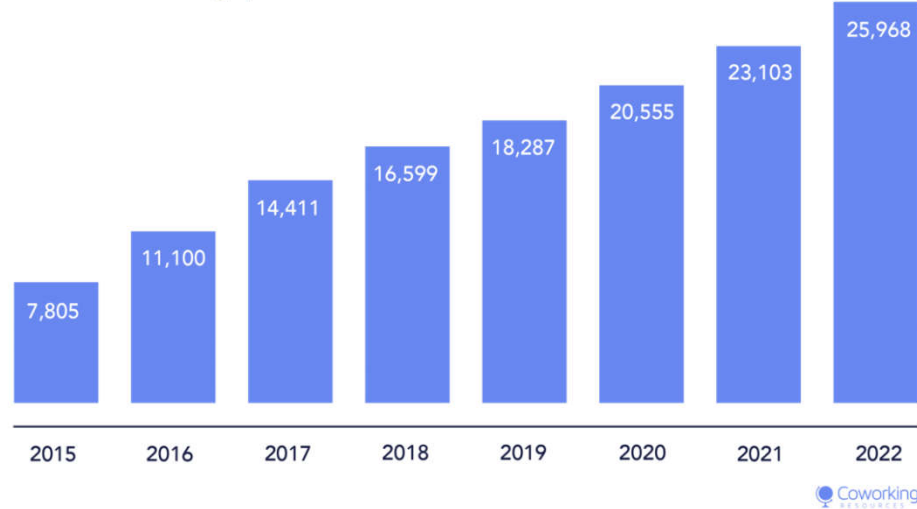
We can't afford to live where we want, we're getting older, and we're lonely!

bungalow



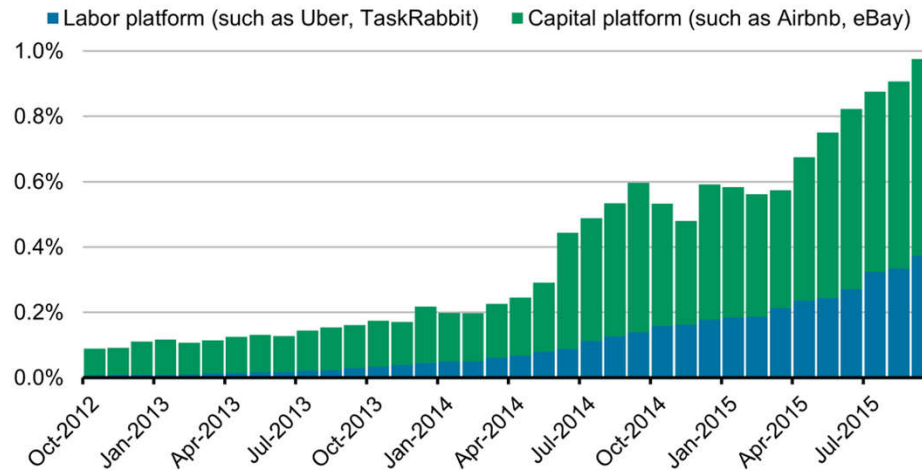
We're working and travelling differently.

Number of Coworking Spaces Worldwide



Gig Growth

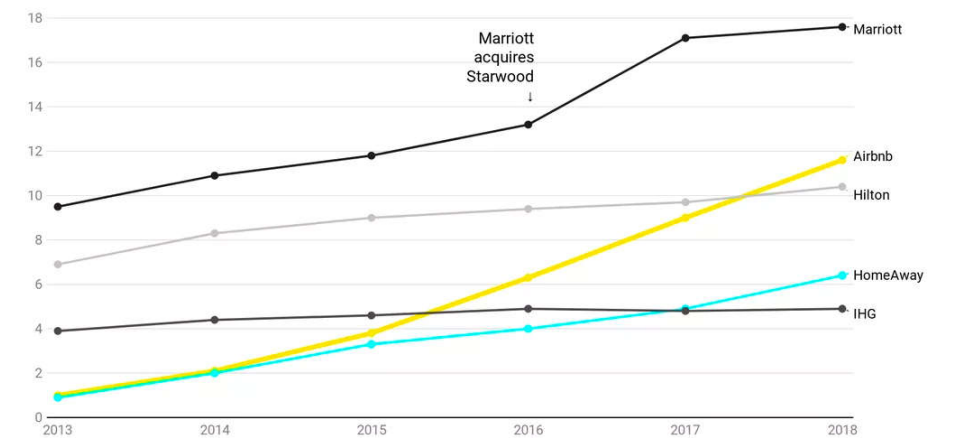
Share of U.S. adults earning income in a given month via online platforms, often referred to as the gig or sharing economy.



Source: JPMorgan Chase Institute | WSJ.com

US consumer lodging sales

Indexed to Airbnb revenue in 2013



Source: Second Measure

recode

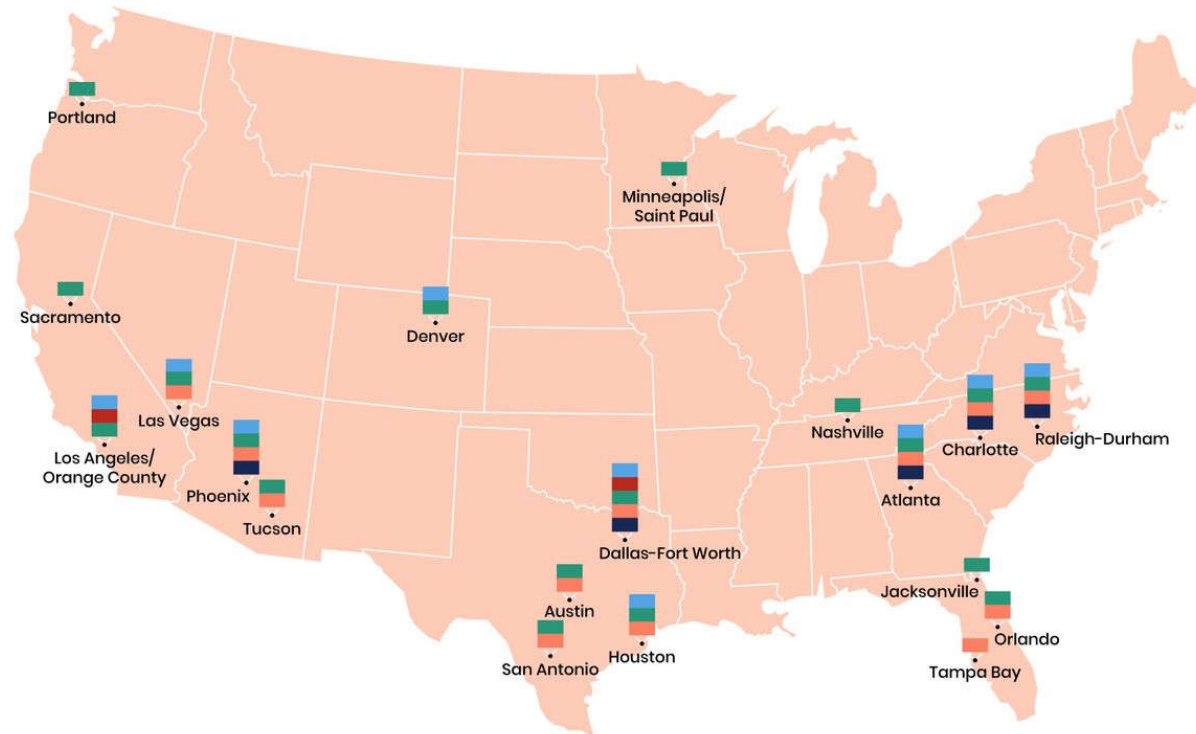
- **The number of coworking spaces worldwide are expected to increase 42% by 2022**
- **36% of US workers participate in the gig economy** through either their primary or secondary jobs
- Travelers are becoming **more trusting of alternative accommodations and desire more authentic travel experiences**. Airbnb was the wedge to other travel products (Stay Alfred).
- **By 2025, millennials + Gen Z will account for 75%+ of all consumers and travelers¹**

We're working and travelling differently.



We're buying and selling differently.

Where iBuyers are operating



■ Zillow
 ■ Redfin
 ■ Opendoor
 ■ Offerpad
 ■ Knock

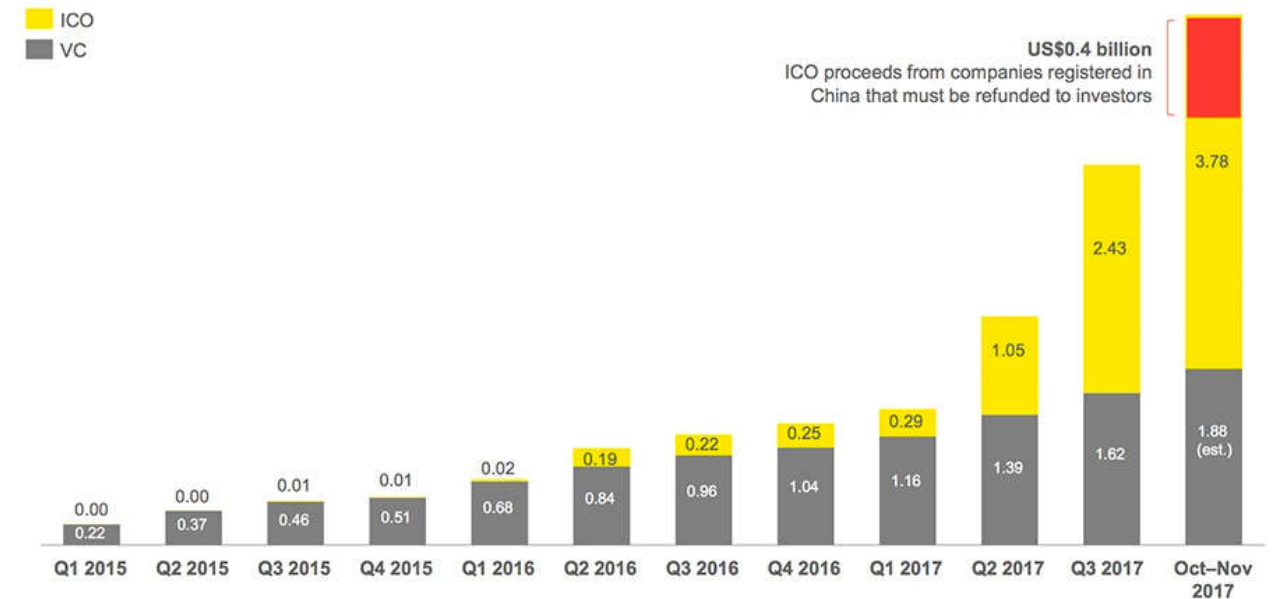
*No iBuyers currently operate in Alaska or Hawaii

ICO market

Total ICO proceeds are approaching US\$4 billion and have exceeded venture capital investments in blockchain projects

Cumulative ICO/VC funding
US\$ billion

■ ICO
■ VC



- In 2018 iBuyers accounted for 25,000 transactions nationwide
- in 2018, Zillow announced a 3-5yr revenue target of \$22B. **\$20B is projected to come from buying and selling homes.**
- Blockchain has the potential to **revolutionize how we conduct property transactions**

Sources:
¹Curbed "Real Estate House Flipping", March 2019
²Statista 2018

We're buying and selling differently.

Opendoor

knock.

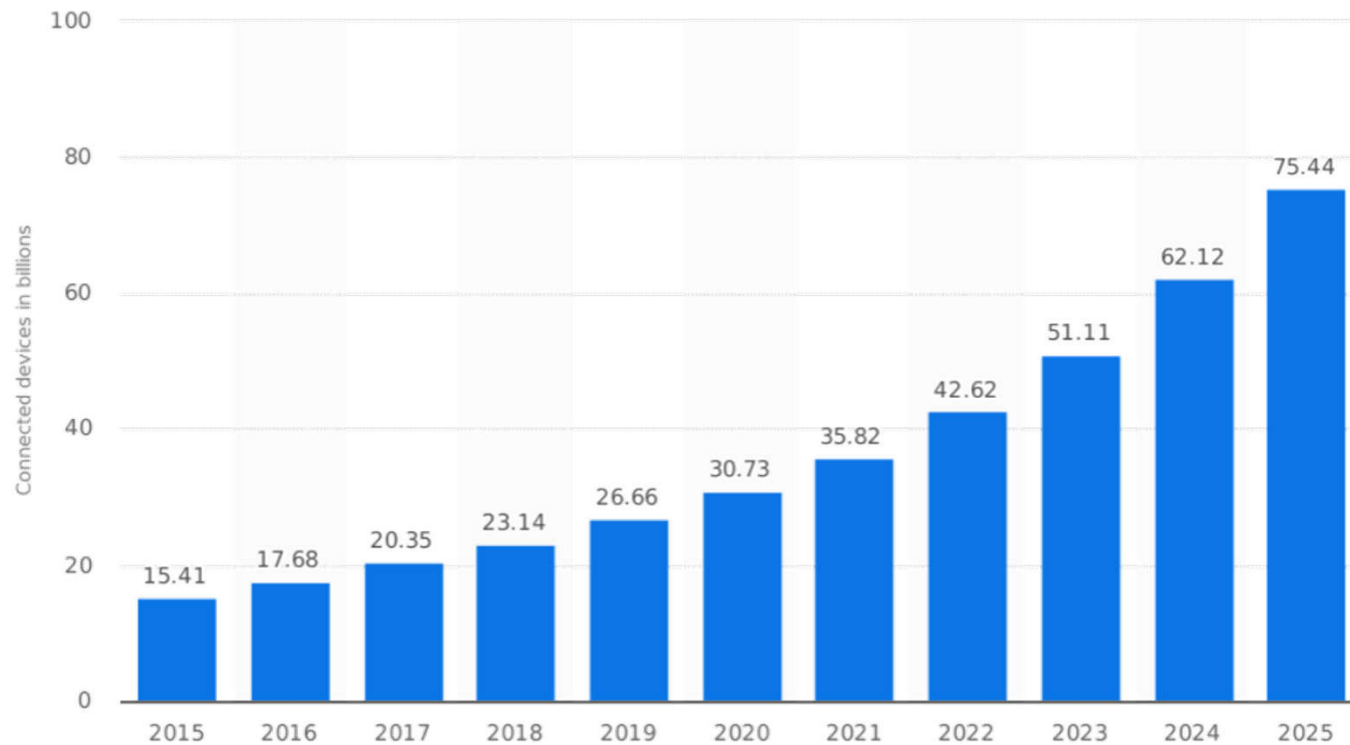
Perch

 Divvy

Ribbon

Our expectations are changing.

Internet of Things (IoT) connected devices installed base worldwide from 2015 to 2025 (in billions)



Source
IHS
© Statista 2019

Additional Information:
Worldwide: IHS; 2015 to 2016



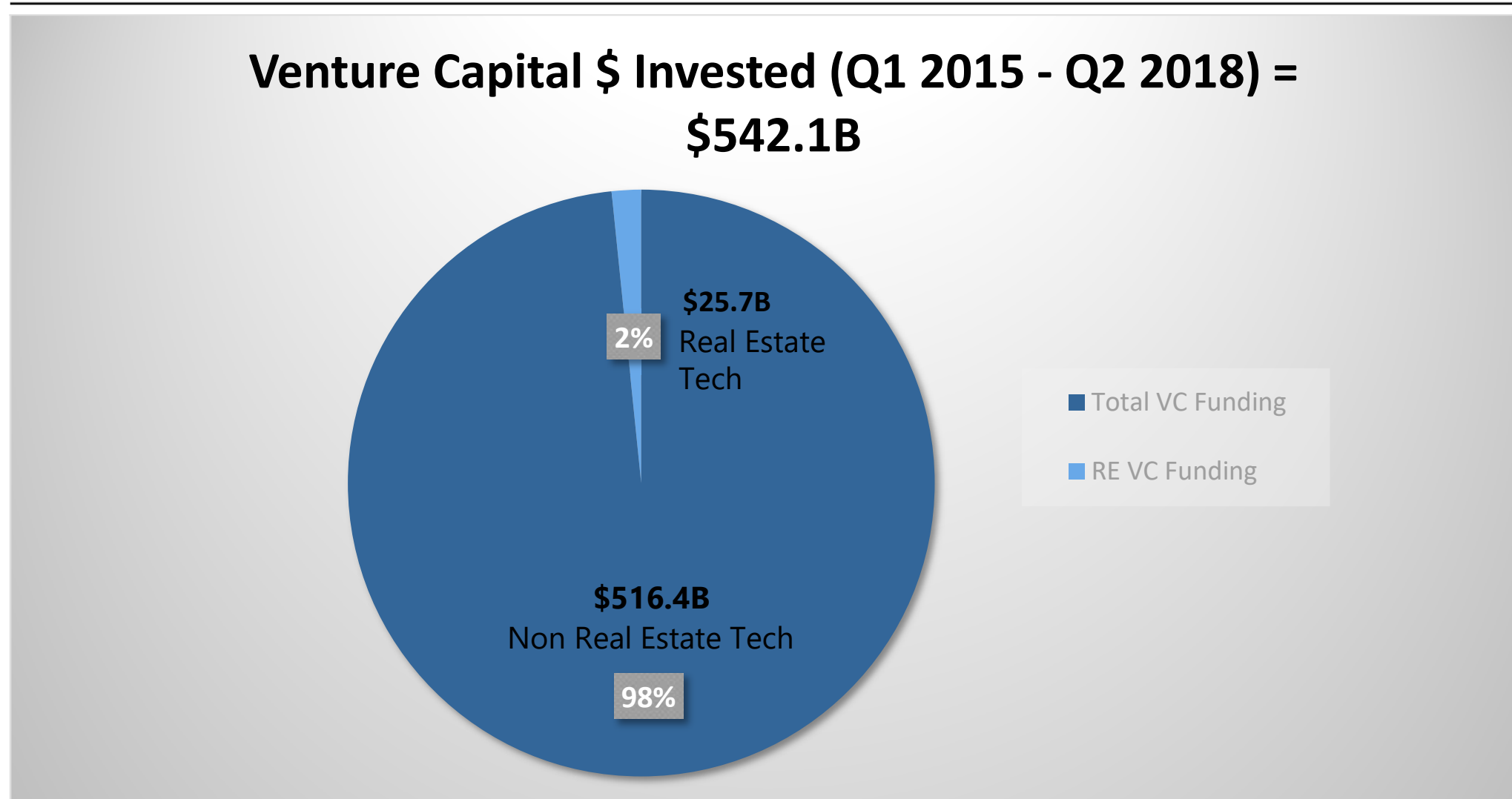
- Smart home penetration is expected to increase from **33.2% of homes to 53.9% by 2023**
- An **'amenities arms race'** is taking hold in multifamily, and shifting to office.
- Retail is all about experience.

Our expectations are changing.



PropTech funding is increasing but has a lot of ground to make up relative to other industries

PropTech Investment Since 2015



- **PropTech investment is a small fraction of total VC investment in other technology sectors** (financial services, healthcare and travel, etc.)

There are different 'flavors' of PropTech involvement

Corporate VC's



**Accelerators &
Incubators**



Strategic VC's



**"Innovation"
Groups**



Partnerships?

Questions?

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