



# Real Estate & Technology



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A Presentation to INREV  
June 16, 2016



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# Polling Question 1

Q1 When compared to other sectors has real estate embraced technology?

A Not at all - we are still in the dark ages

B Somewhat - there is some interest in technology but change is slow

C Yes - we have started to innovate

D Absolutely - the real estate sector is innovative and open to change.

# Polling Question 2

Q2 When you consider your future, how relevant will technology be to your job

A Not relevant at all - my job is safe

B Somewhat relevant but changes will take time to impact me

C Very relevant - I work for a forward thinking company with a clear innovation strategy

D Extremely relevant - In addition to my day job I am working on an Office Leasing App



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# "This is a century of ideas"

Australia is changing – at least according to our Prime Minister

"We want to be a national culture of innovation, of risk-taking, because as we do that, we grow the whole ecosystem of innovation right across the economy.

We become more experienced, more innovative, more agile, more prepared to take on risk and become a culture of ideas because it is the ideas boom that will secure our prosperity in the future."

– Malcolm Turnbull, Prime Minister of Australia  
(7 December 2015)



# Agenda

- The Challenge
- The Opportunity
- Value Creation in Practice
- Consequences
- Questions & Comments

# The global Real Estate landscape is changing

- **The Challenge:**

Disruption is inevitable

- **The Opportunity:**

To position yourself to harness this potential to benefit your company



# The Challenge



So who is to blame?



# Property is starting to evolve

- Investors and property owners are seeking greater efficiencies in order to maintain rental yields
- Tenants and occupiers demand more intelligent buildings and comfortable working and living environments
- Consumers want greater transparency, cost effectiveness and freedom over consumption habits and decisions
- Society demands an ever-greater focus on the built environment and sustainability



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# Sector momentum

The real estate sector is witnessing a broad groundswell in tech-based startups: in investment, brokerage, property management and property-viewing services

## THE FACTS

- Venture capital funding to real estate tech startups exceeded US\$1.5B in 2015 and is projected to reach US\$2B in 2016 – yet according to Savills Global Real Estate is valued at more than US\$217 Trillion
- The most prolific venture funds have invested in Real Tech, including Accel Partners, Sequoia Capital, Andreessen Horowitz, Battery Ventures, Greylock Partners, Google Ventures, Kleiner Perkins Caufield & Byers and Eon Ventures

### EUROPE

Purple  
Hubble  
Airdna  
workabode

### USA

Zillow  
Zoopla  
RedFin  
Auction.com

### ASIA

PropertyGuru  
Fangdd  
Aiwujiwu  
Housing.com

### ANZ

OnTheHouse  
BuyMyPlace  
& others



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# Disruption as a driving force

Sector-wide transformation is rarely driven by incumbents

It is driven by emerging and agile companies/individuals who bear less risk and are free to experiment to:

- Create new products and services
- Improve legacy products and processes
- Disintermediate low-value participants in value chains
- Disrupt outdated business models

Sector	Winners	Losers
Media and Advertising	Google, social media	Traditional advertising platforms
Travel and Accommodation	AirBnB, Expedia, TripAdvisor, Orbitz	Hotelling groups, travel agencies
Transport	Uber, Lyft, Didi Kuaidi	Taxi industry, hire care industry, Cabcharge
Entertainment and publishing	YouTube, Netflix, Hulu	Blockbuster, HMV, Borders
Financial Services	Mobile payment providers	Banks, Traditional service providers
Retailing	Amazon, online retailers	Department Stores, brick and mortar retailers

# Corporate Venturing and Innovation

The key innovation challenge that Investors and Corporates face as:

- Gaining exposure to the best-of-breed emerging technologies
- Attracting, screening and assessing the pipeline of such opportunities
- Implementing a strategy to engage with these technologies from an early stage

For many the benefit of investing is just to be part of the Innovation conversation



# The Opportunity



Survivors will harness this momentum by getting involved

Disruption of the sector is coming with numerous creative and dynamic start-ups targeting real estate

These VCs will disrupt the industry



# Investment Opportunities

**Product innovation:** Innovative software, hardware, and other core technologies which provide the with defensible intellectual property rights – leads or returns

**Business model innovation:** Changing the method of delivery of products, services or content, seen as incremental value addition, ease of use and lower groups – potential for complete disruption



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# Investment Opportunities across Real Estate

Planning & Financing	Planning software, on-demand financing solutions
Design & Construction	Project management tools, Architecture and design technologies, construction technologies, building material innovations, material sourcing platforms, construction workforce management solutions
Sales & Development	Purchaser solutions, virtual tours, 3D marketing, property marketing and sales solutions
Leasing & Management	Leasing management software, leasing analytics software, list and search services, in-venue technologies, property marketing solutions, facility management, property management
Value growth	Content, data and information portal, tenant and visitor in-venue experience and engagement solutions, tenant and visitor in-venue loyalty, transaction and value-add solutions
Sustainability	Sustainability solutions, energy efficiency solutions, building materials



A man in a dark blue suit is holding a smartphone. Above the phone, several glowing white icons are floating in a circular arrangement. The icons include a dollar sign (\$), a checkmark, a house, a bar chart with an upward arrow, a group of people, a speech bubble, and an envelope. The background is a collage of various business-related images, including charts, graphs, and people working, all in a dark, semi-transparent style.

# Live Examples.....



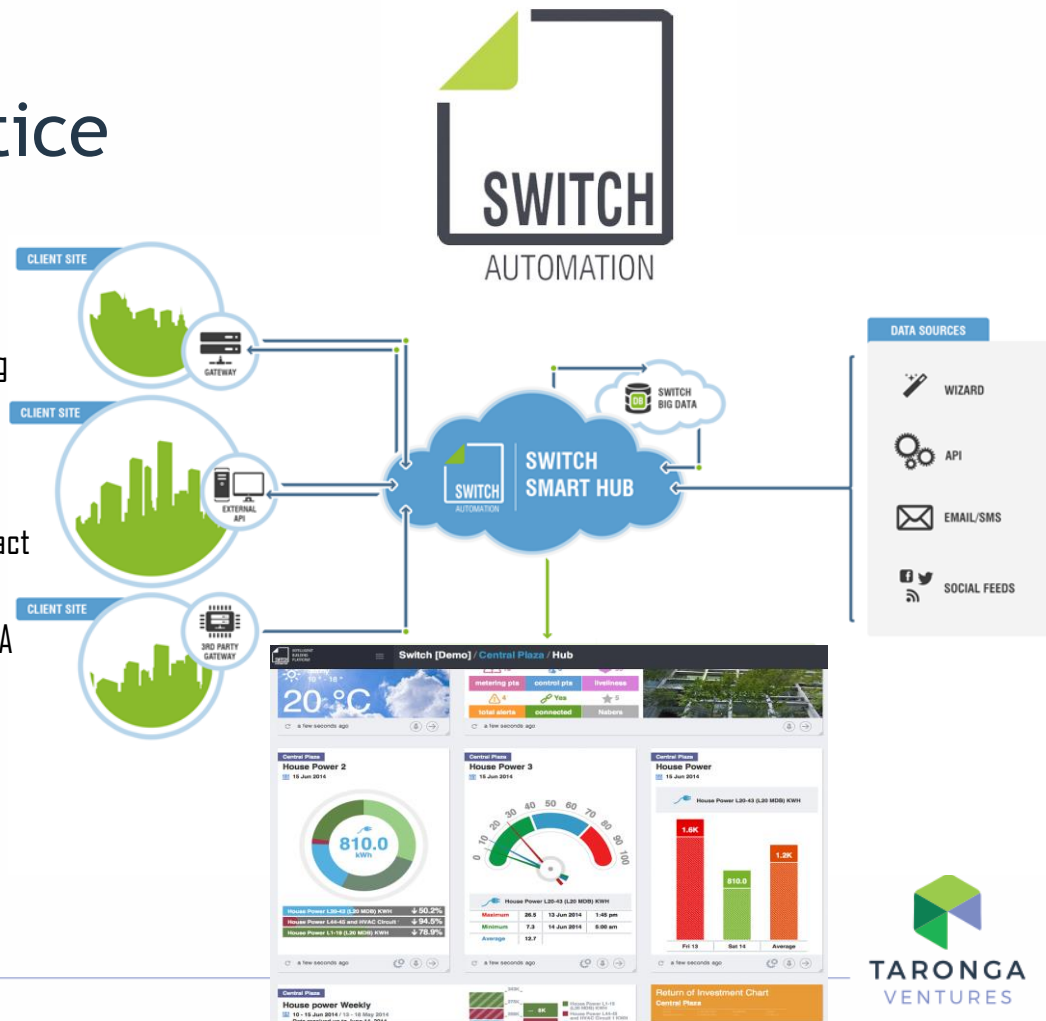
# Value Creation in Practice

Switch Automation built and launched the first cloud-hosted platform for managing building portfolios

Switch delivers a data management platform capable of collecting any building metric from any source

Through a cloud-hosted unified user interface software Switch collects building information, can identify inefficiencies and then act

Switch has spent the last three years establishing itself in the USA and now has eight major customers including Wells Fargo, Intel, Ericsson and Forest City



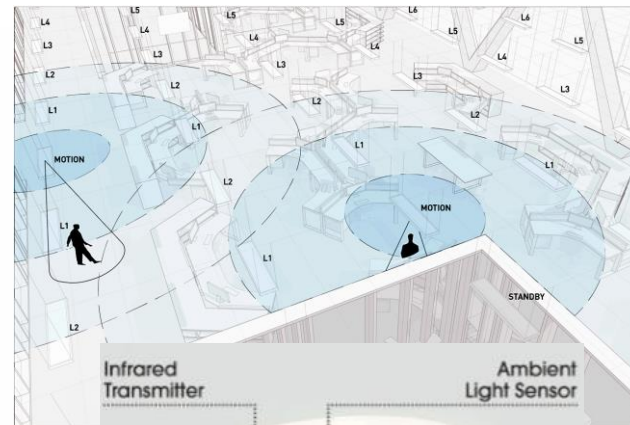
# Value Creation in Practice



Organic Response is the lighting control system which simultaneously maximises energy savings, occupancy comfort and cost payback

Beacon enabled and installed with Plug & Play simplicity Organic Response provides analytics to understand usage and optimize HVAC

It maximises occupancy comfort while driving energy efficiency, reducing lighting expenditure by up to 70% and a sub 2 year payback



ANZ	Europe	US
 Member of the LightHub Group       	     	  24 HOURS x 365 DAYS 



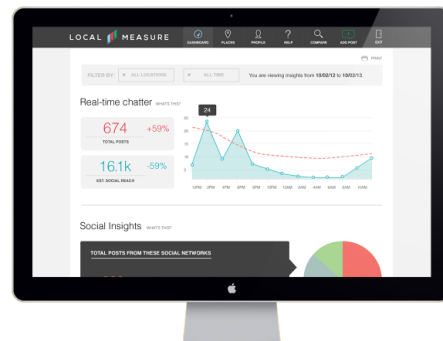
# Value Creation in Practice

Local measure provides an enterprise grade real time customer intelligence platform

It contains comprehensive social media content from any location, enabling venue owners to listen to their customers, understand their customer segments, engage with meaningful content and ultimately increase loyalty and repeat visits and purchases

Local Measure is especially applicable to Hotels, Malls, Stadia, and other venues focused on providing memorable experiences

## LOCAL MEASURE



Wynn  
Las Vegas

VIRGIN  
HOTELS

VILLAGE  
ROADSHOW

TRUMP  
HOTEL  
COLLECTION™

Commonwealth Bank

DUBAI  
Tourism  
للسياحة

Singtel

SEA WORLD

SEAMOMA  
on the go

MOVIE WORLD

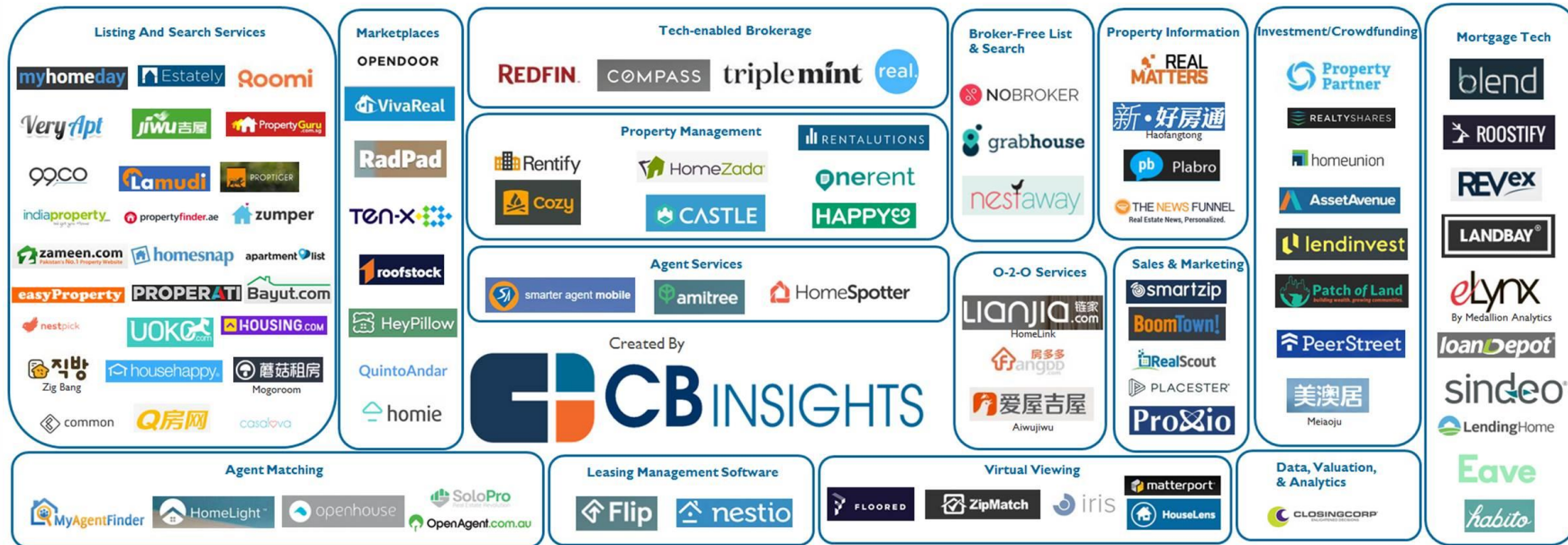
QANTAS

ACCOR HOTELS  
Feel Welcome

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# What's Next

## The Residential Real Estate Tech Market Map



# What's Next

Augmented Reality

Virtual Reality

Corporate Leasing B2B

Blockchain Mortgage Exchange

Robotics

Driverless Trucks – Rotterdam





# Consequences



Real Estate assets can benefit from technology – driving returns

Certain parts of the Ecosystem will not survive

Early adaptors will have a competitive advantage

For individuals you need to be willing and open to change



# Summary

- Disruption is inevitable
- The key is to position yourself and your company to harness this potential



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Questions & Comments?



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