

A stylized, light gray graphic of a city skyline is positioned on the left side of the page. It features several buildings of varying heights and widths, with some having grid-like patterns representing windows. The tallest building has a pointed top. The graphic is semi-transparent, allowing the text to be seen through it.

Real Estate Software Market Map

Fall 2023

Agenda

→ Shea & Company Firm Overview

Real Estate Market Overview & Trends

Sector Deep-Dives:

- Multi-Family Residential & Commercial Rental Market
- IWMS Market
- Single-Family Residential Market
- Short-Term Rental Market

Market Activity

About Our Firm

1

Firm focused exclusively on enterprise software

2

Offices in Boston and San Francisco

40

Professionals focused on the software industry

\$45Bn+

Advised aggregate deal value

20+

Average years of experience amongst our senior bankers

135+

Transactions completed representing billions of dollars in value

Mergers & Acquisitions, Private Placements & Capital Raising

Shea & Company has advised on important transactions representing billions of dollars in value across the strategic acquirer and financial investor landscape with clients in the U.S. as well as Canada, Europe and Israel.

 has received a strategic investment from 	 has received an investment from 	 has been acquired by 	 has been acquired by 	 has received a strategic investment from 	 has acquired 	 has been acquired by 
 has been acquired by 	 has acquired 	 has acquired 	 has received an investment from 	 has been acquired by 	 has acquired 	 has been acquired by 
 has been acquired by 	 has received a minority investment from 	 has acquired 	 has merged with 	 has been acquired by 	 has been acquired by 	 has been acquired by 

We Know Real Estate Software

Real Estate Software is a core competency for our firm where we have been among the most active advisors, completing transactions across residential & commercial property management, facilities & integrated workplace management and residential sales & brokerage management

\$7Bn+





















Advised deal value in Real Estate Software

~115

Unique bidders on Shea Real Estate deals

~20

Real Estate Software deals completed

 <p>has been acquired by</p> 	 <p>has received an equity investment from</p> 	 <p>has been acquired by</p> 	 <p>has received an investment from</p> 	 <p>has received an investment from</p> 
 <p>has acquired</p> 	 <p>has acquired</p> 	 <p>has acquired</p> 	 <p>has been acquired by</p> 	 <p>has acquired</p> 

Recent Conversations



Case Study: Berkshire Partners' Acquisition of Tango Analytics

Transaction Highlights

- Tango Analytics, a leading provider of cloud-based integrated workplace management software (IWMS) and store lifecycle management (SLM), has agreed to an equity investment from Berkshire Partners
- **Engagement:** Shea & Company was engaged to evaluate and solicit interest from a select set of financial sponsors and strategic acquirers
- **Sector:** Real Estate and Facilities Lifecycle Management
- **Shea & Company Role:** Exclusive financial advisor to Tango Analytics and Frontier Growth

Tango Analytics Profile

- Tango offers an end-to-end solution encompassing site selection, project management, lease & accounting, facilities maintenance, and space management
- Tango began as a CRE consulting firm and released their first software product two years later; Tango has since been reimagining and releasing industry-leading IWMS and SLM applications
- The Company has partnered with more than 1,000 leading brands, and its cloud-based SaaS and mobile solution is used across 140 countries by companies ranging from those with a few dozen locations to large global brands with more than 40,000 locations
- Founded in 2008, Tango is headquartered in Dallas, TX

Berkshire Partners Profile

- Berkshire Partners, has 35 years of investment history and Berkshire Private Equity has made more than 135 private equity investments since its inception and has a strong history of partnering with Management Teams to grow the companies in which it invests
- The group has raised \$20Bn+ over 10 funds, with their latest (Fund X) being \$5.8Bn
- The group invests in a wide range of companies in different stages and industries via buyouts or management recapitalizations, partial recapitalizations, growth capital and public securities
- Berkshire Partners is a leading investment firm headquartered in Boston, MA



has received an equity investment from

**Berkshire
Partners**

*Shea & Company served as the exclusive
financial advisor to Tango Analytics and
Frontier Growth*

**Shea
& Company**

Transaction Notes & Rationale

- Combining leading-edge technology, adaptability, constant innovation and simplicity, Tango's real estate and facilities solutions are built for today's evolving realities
- **"In a post-COVID world, active management of real estate and facilities is more important than ever, and companies require solutions to help them stay in sync with a dynamic environment. Given Tango's strong market share and the unique solutions it provides to an array of blue-chip customers around the world, we view Tango to be a disruptive innovator that has significant potential to drive further value."** – Jon Nuger (Principal, Berkshire Partners)
- **"In addition to their experience in investing across the technology and software ecosystems, the Berkshire team has helped companies accelerate growth strategies to the benefit of all stakeholders. This capital will play a pivotal role in unlocking the next chapter of our growth story as we seek to take Tango to the next level. We are honored to welcome Berkshire as an investor and look forward to benefiting from the insights of their investment and portfolio support professionals."** — Pranav Tyagi (Chief Executive Officer, Tango Analytics)
- **"We have tremendous confidence in Tango's Team and products, and we look forward to continuing our partnership and supporting their next stage of growth"** — Andrew Linder (Co-Founder & Partner, Frontier Growth)
- The funding will help extend Tango's leadership position in the market and accelerate both U.S. and international growth
- With market-leading capabilities across predictive analytics, transactions, projects, lease, space, and reservations—delivered in a true-multi-tenant cloud architecture with a single code base—Tango is poised for continued growth in today's dynamic PropTech marketplace
- Frontier Growth, a leading investment firm who previously held a minority share in Tango, will remain a minority investor in the entity
- Shea & Company served as the exclusive financial advisor to Tango Analytics and Frontier Growth

Case Study: Goldman Sachs West Street Capital Partners' Investment in InhabitIQ

Transaction Highlights

- InhabitIQ, a leading global provider of software and software-enabled payments solutions for the residential, short-term rental and commercial real estate industries, has agreed to a strategic investment from Goldman Sachs West Street Partners
- **Engagement:** Shea & Company was engaged to evaluate and solicit interest from a select set of financial sponsors and strategic acquirers
- **Sector:** Real estate property management software solutions
- **Shea & Company Role:** Exclusive financial advisor to InhabitIQ and its Board of Directors

InhabitIQ Profile

- InhabitIQ is a leading provider of accounting & operations, leasing & marketing, compliance, payments and insurance software solutions to the residential, short-term rental and commercial real estate markets in North America and Europe
- Rebranded after the merger of Property Brands and Vacation Brands, Inhabit IQ is a portfolio company of Insight Partners, Providence Strategic Growth and Greater Sum Ventures
- Founded in 2016 as Property Brands, InhabitIQ is headquartered in Knoxville, TN with additional offices in North America and Europe

Goldman Sachs West Street Capital Partners Profile

- Goldman Sachs West Street Capital Partners is the private equity fund within the Merchant Banking Division of Goldman Sachs, which invests in private equity, debt and real estate
- The group has raised \$40Bn+ over 7 funds, with their latest (Fund VII) being \$7Bn
- The group invests in a wide range of companies in different stages and industries via both growth equity and leveraged buyouts
- Goldman Sachs is a global investment bank headquartered in New York, NY and has offices around the world



a portfolio company of



has received a strategic investment from



Shea & Company served as the exclusive financial advisor to InhabitIQ and its Board of Directors



Transaction Notes & Rationale

- Goldman Sachs will join existing investors Insight Partners, Greater Sum Ventures and PSG as institutional shareholders in Inhabit IQ
- "We're gratified by Goldman Sachs' show of confidence and look forward to working with this experienced team to grow our solutions portfolio. Inhabit continues its track record of strong performance even amid today's uncertain environment. We believe in the future of the property and vacation management industries and will help these businesses thrive by addressing their critical technology needs" – Lisa Stinnett (CEO, InhabitIQ)
- The funding will provide additional capital that will enable Inhabit IQ to increase its investment in innovation, accelerate its growth and continue its acquisition strategy. The Company will continue to be led by CEO Lisa Stinnett and the current management team.
- "Inhabit IQ is a leader in the fast-growing property management software market, and we have been very impressed with the platform that Lisa and the Inhabit IQ management team have built. We look forward to supporting the management team in the next phase of their evolution." – Anthony Arnold (Managing Director, Goldman Sachs)
- "The real estate sector is still early in its digitization journey and Inhabit IQ provides a unique value proposition to the rental management industry. We look forward to helping deliver the resources of the Goldman Sachs platform, including our deep institutional experience in real estate, to further accelerate the Company's growth trajectory." – Matthew Popper (Managing Director, Goldman Sachs)
- Shea & Company served as the exclusive financial advisor to InhabitIQ and its owners Insight Partners, Providence Strategic Growth and Greater Sum Ventures

Case Study: TA Associates' Investment in MRI Software

Transaction Highlights

- MRI Software, a leading global provider of software solutions for the real estate sector, has agreed to a strategic investment from TA Associates
- **Engagement:** Shea & Company was engaged to evaluate and solicit interest from a select set of financial sponsors
- **Sector:** Real estate property and investment management software solutions
- **Shea & Company Role:** Exclusive financial advisor to MRI and its owner GI Partners

MRI Software Profile

- MRI Software is a leader in business management software solutions for the multifamily and commercial real estate industries, serving owners, operators, occupiers and investors
- MRI is a portfolio company of GI Partners, a leading investment firm focused on private equity and real estate strategies. GI is active in a number of key sectors, including IT Infrastructure, Software, Healthcare and Services; GI Partners acquired MRI from Vista Equity Partners in 2015
- Founded in 1971, MRI is headquartered in Solon, OH with additional offices in Atlanta, Dallas, Hong Kong, London, Singapore, Sydney and Toronto

TA Associates Profile

- TA Associates is one of the largest and most experienced global growth private equity firms having raised \$24Bn in capital and investing in more than 480 companies around the world since inception
- TA Associates specializes in buyouts and minority recapitalizations of profitable growth companies with its Team of more than 85 professionals
- TA Associates is active in a number of key subsectors including Facility Services, Financial Technology, Infrastructure, Internet and Software
- Founded in 1968, TA Associates is headquartered in Boston with additional offices in London, Menlo Park, Mumbai and Hong Kong



a portfolio company of

GI PARTNERS

has received a strategic investment from



Shea & Company served as the exclusive financial advisor to MRI & GI Partners



Transaction Notes & Rationale

- TA Associates is one of the largest and most experienced global private equity firms focused on growth-oriented companies. TA Associates, in conjunction with GI Partners, will look to leverage its global presence to help drive MRI's strategic international expansion initiatives
- "MRI Software has established a differentiated position in the fast-growing real estate software space with a comprehensive, configurable and open platform that meets the unique needs of real estate owners, operators and investors. With its significant investment in product, people and partners, we believe MRI is well positioned to continue growing its leadership position in the commercial, residential and investment management markets. We are excited to partner with Patrick Ghilani and his Team, alongside GI Partners, to support the Company's continued innovation and growth." – Hythem El-Nazer (Managing Director, TA Associates)
- Upon closing the transaction, TA Associates will help drive MRI's M&A initiatives and utilize its global reach to propel MRI's solution into new markets worldwide. TA will assist GI Partners in accelerating topline revenue growth, deepening MRI's presence internationally, expanding its connected partner system and delivering significant levels of product innovation
- "MRI Software is a leader in real estate technology because of our relentless commitment to delivering value to our Clients and partners through exceptional products, services and relationships. GI Partners has been a strong supporter and a key contributor to the acceleration of our business, and we look forward to continuing this relationship. Expanding our partnership to include TA Associates, a firm with deep software industry experience and global scale, will provide additional resources to fuel our growth through further expansion of our international footprint and our real estate technology solutions. The combination of these two leading strategic investors will provide greater access to global resources and enables us to invest even more to deliver innovation, flexibility and value for our Clients and partners." – Patrick Ghilani (CEO, MRI Software)
- Shea & Company served as the exclusive financial advisor to MRI Software and its owner GI Partners

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Market Activity

Real Estate Snapshot

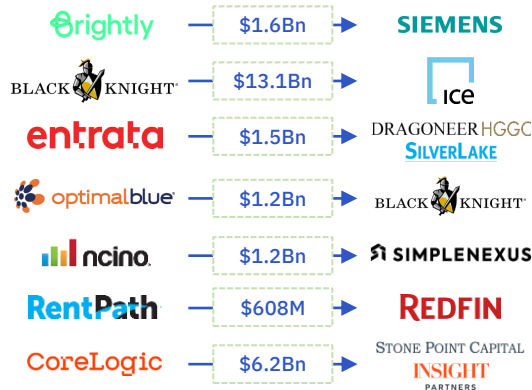
M&A

Suite solution providers aggressively expanding offerings through M&A; PE buyers have emerged in recent years as leading competitors for assets of scale

Most Active Acquirers



Recent Notable Transactions



2022 Statistics

\$23.7Bn in transaction value

136 closed M&A transactions

6.4x average EV / Revenue multiple

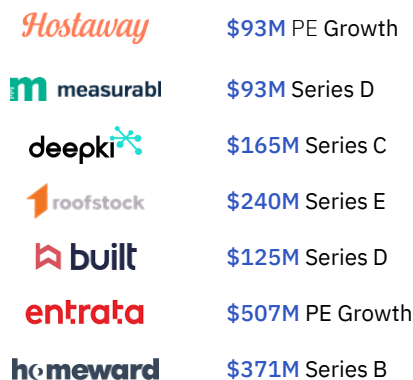
Private Capital Raising

Fundraising environment remains active, with a notable shift towards large rounds as newcomers demonstrate rapid growth via disruption

Prominent Investors



Recent Notable Fundings



2022 Statistics

\$9.7Bn in capital raised

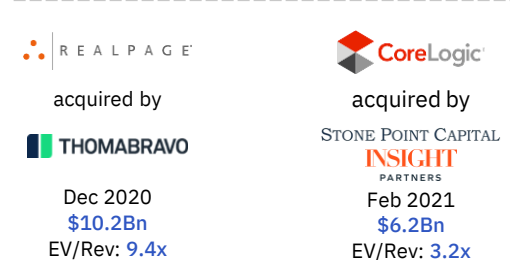
747 capital raises

\$12.9M average transaction size

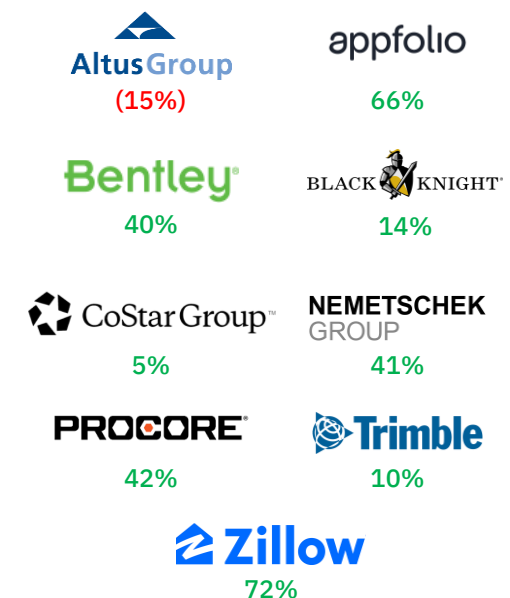
Public Markets

Public market activity has taken a turn – deal flow has decelerated, and valuations have been compressed over the past few quarters

Recent Take-Privates



PropTech Public Strategies (YTD Price % Δ)

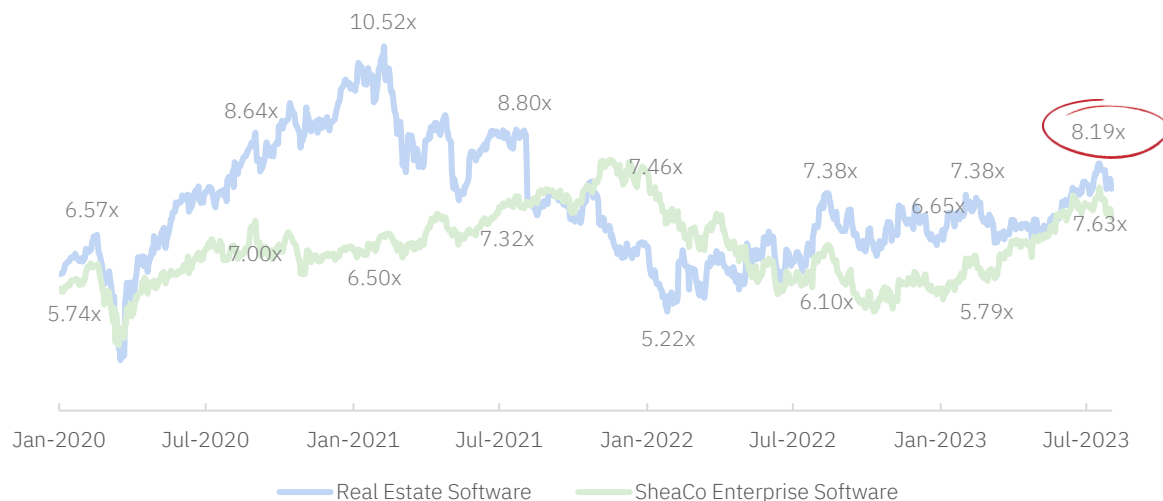


Note: YTD is as of 08/03/23

PropTech Remains Rich Relative to Broader Software

Investors have been bullish on PropTech due to the fact that Real Estate is a massive underlying market that has been a laggard to adopt technology — this has driven premium multiples for PropTech businesses relative to other segments of the software universe

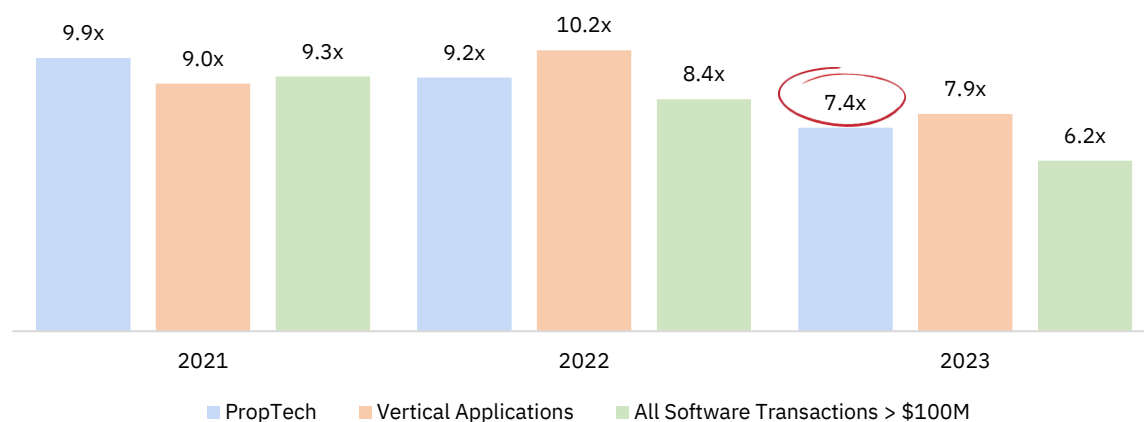
Publicly Traded EV / Revenue Multiples (2020 – YTD 2023)



PropTech Public Market Trends

- Throughout 2020 and 2021, the revenue multiple spread widened between PropTech and Enterprise Software
- Recently, that spread has been tightening but still stands at 0.5x higher, proving that despite difficult equity market conditions, PropTech trades at a natural premium to broader enterprise software
- Broadly speaking, multiples have contracted in the market, and we are certainly feeling a lack of deal flow and seeing normalizing software assets

M&A Trending EV / Current Year Revenue Multiples (2021 – YTD 2023)



PropTech M&A Market Trends

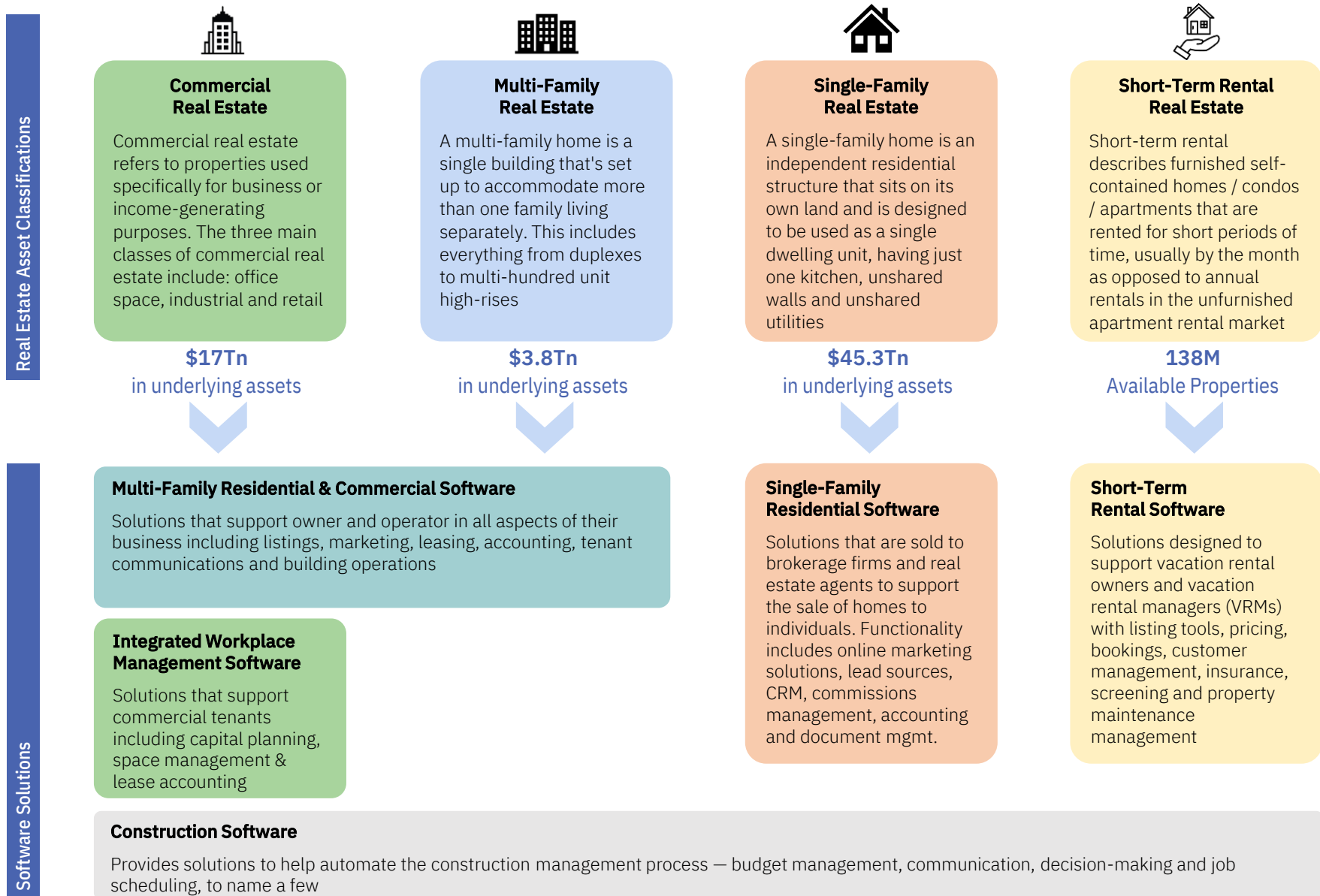
- Although multiples appear to remain rich today, the PropTech precedent transaction sample size is smaller as only high-quality assets have been able to transact this year
- In the last two years, PropTech has been outperforming broader enterprise software in the private markets
- Investors are attracted to PropTech due to the large underlying market and lack of digitization

Note: Index represents universe of Enterprise Software & PropTech Companies tracked by Shea & Company

Note: Trending M&A comps are from Shea & Company proprietary transaction database; Revenue multiples in excess of 20.0x are considered not meaningful and excluded from mean calculations

Real Estate Sectors and Supporting Software

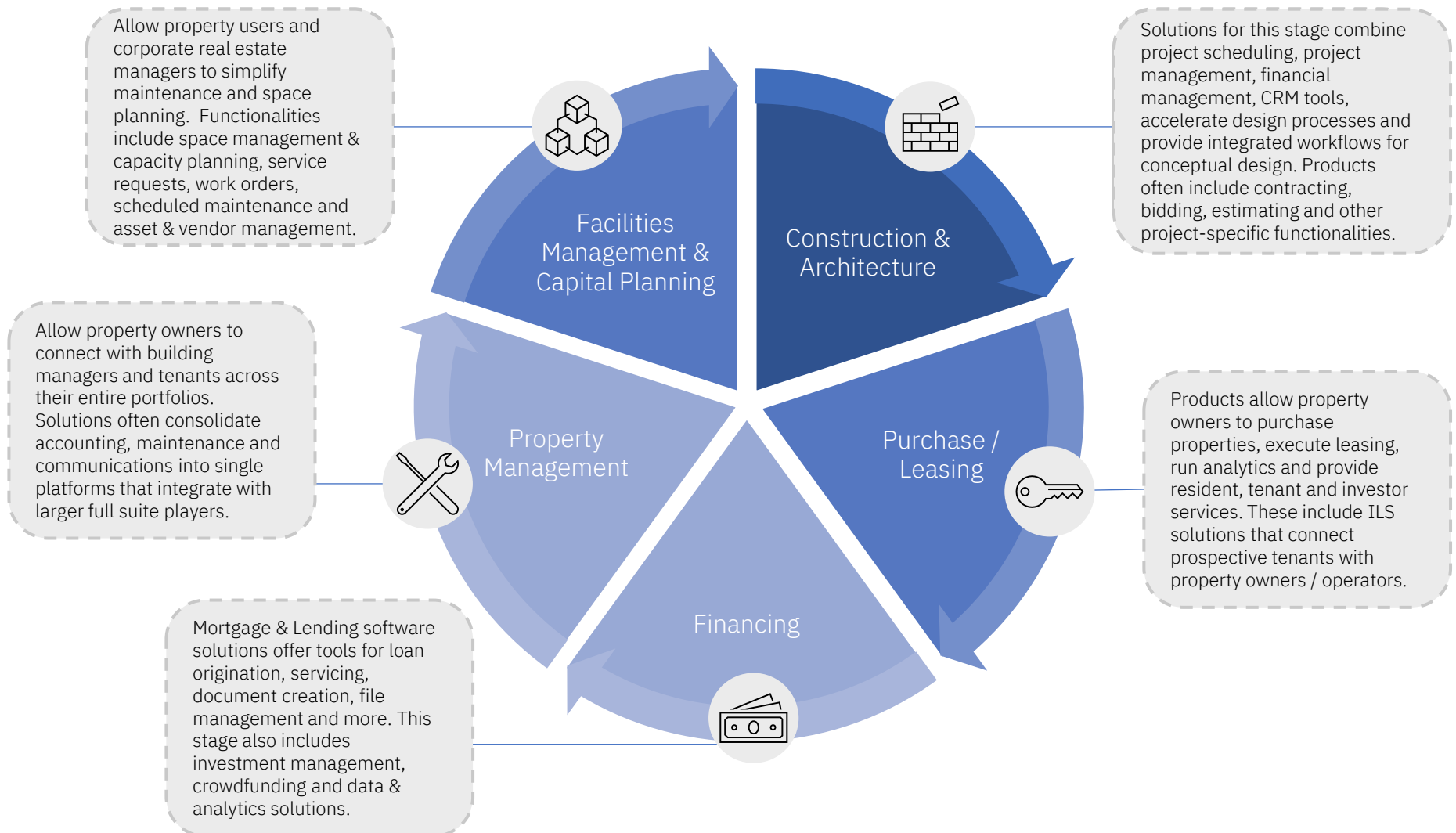
A wide variety of Real Estate software solutions exist, serving a number of underlying end markets and constituents – we segment the market into five core software solution sets: Multi-Family Residential & Commercial Rental, Single-Family Residential, Short-Term Rental, Integrated Workplace Management and Construction



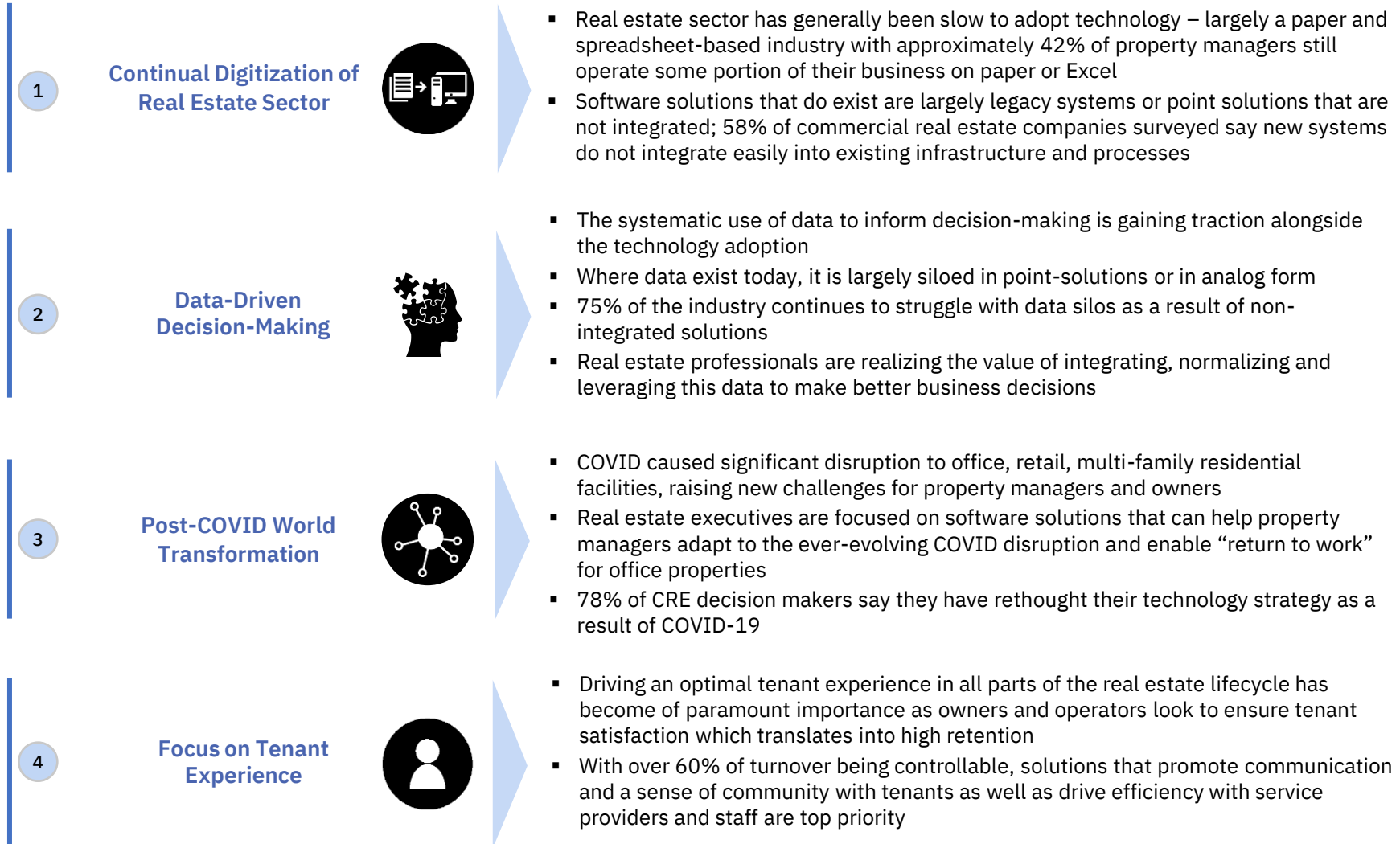
Building Lifecycle

Real Estate software solutions address all key phases of the building lifecycle. From pre-construction and design phases to purchase/leasing and ultimately space management and capital planning, a wide array of solutions exist to support users throughout the process

Complete Building Lifecycle



Real Estate Software Industry Trends



I. Continual Digitization of Real Estate Sector

Historical inhibitors to technology adoption are being broken down as the efficiency gains and improvements to service from technology adoption, outweighs the investment costs and risk of implementing new systems



Historic Inhibitors to Digitalization

Existing manual processes with collection / entry and information verification

Highly relational industry with multiple intermediary levels

Lack of industry standards and centralized marketplaces to share uniform data

Fluctuating boom-bust cycles inhibit consistent investment

Costly to adopt new technology – large up-front investment and long implementation cycles

Dependency on paper & spreadsheets in daily operations

Lower Up-Front Investment

- SaaS solutions have decreased the up-front investment and are generally easier to implement, lowering the hurdle to adoption
- While effort to adopt is not insignificant, it is lower risk than past on-prem solutions

Proven Cost Savings & ROI

- The business case for sector-specific software solutions is clear – they generate tangible returns on investment
- Analytics measure and manage performance to help determine the quality of service, level of productivity and revenue and costs in real-time; this yields cost savings & increasing employee efficiency

Improved Tenant and Resident Experience

- Software solutions are becoming a critical tool in customer engagement to drive a sense of relationship and higher tenant satisfaction
- Real-time communication, collaboration, and workflow eliminates friction from manual, legacy processes and ensures a best-in-class tenant / resident experience



End-Users



CRE Executives



Property Managers



Facility Operators



Workers & Vendors



Tenants & Occupants

II. Data-Driven Decision-Making

Data provides actionable strategic insight across the real estate ecosystem, yet data remains underutilized today due to the fact that it is siloed in disintegrated systems, unstructured, complex and/or in analog form; software solutions are emerging to address these pain points and enable RE professionals to make better business decisions

Data Focus

- According to GlobeSt, 45% of CRE teams are spending at least 15% to 25% of their time managing and organizing data
- Additionally, 8 out of 10 CRE firms have an executive position dedicated to data strategy and governance
- McKinsey estimates that the construction industry costs the global economy an estimated \$1.6Tn through various efficiency problems; embracing innovations like big data eliminates budgeting errors, improves safety, reduces waste and optimizes workflow

Siloed Data

- The Real Estate ecosystem includes diverse industry participants and a myriad of data sources, including structured and unstructured content (email, lease contracts, pricing data, spreadsheets, digital images)
- Data is generally siloed / proprietary, making it difficult for the various constituencies within Real Estate (investors, owners, operators, property managers) to unlock the full value of the data
- Forrester's research has revealed that an estimated 73% of company data is never analyzed, and the RE industry is no exception to this trend

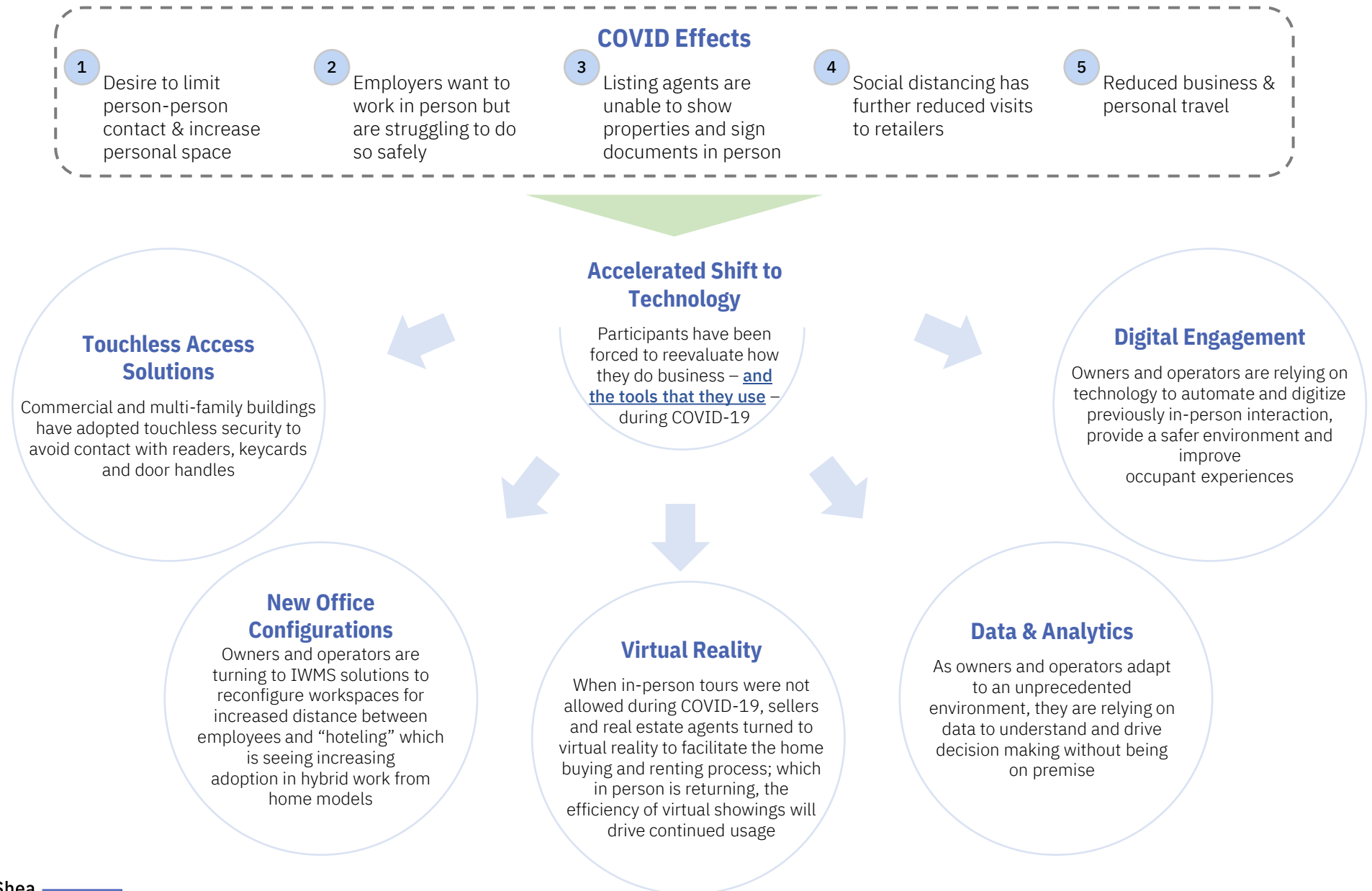
Advantages to Data-Driven Decision-Making

- There is increasing demand for Real Estate software solutions that incorporate real-time data and can integrate with existing solutions to leverage existing business data and streamline data collection
- Data-driven decision-making reduces construction time and material-related costs by presenting clear, digestible data and identifying potential structural errors before they happen; 98% of construction megaprojects go at least 30% over budget
- IoT can help reduce the cost of energy, spatial management and building maintenance by up to 30%
- A Bain study revealed companies leveraging analytics outperform their competition by up to 5x, particularly in making effective decisions "faster"
- Ultimately, the use of data when making decisions will mean decisions are thoughtful and scientific, which is extremely important in the incredibly competitive markets of commercial, multi-family and residential real estate



III. Post-COVID World Transformation

In recent years, digital transformation in the real estate industry has become increasingly important, a trend was intensified during COVID-19 as owners, operators, agents and the construction industry had to adapt to a quickly-evolving environment



IV. Focus on Tenant Experience

Real Estate executives are focused on increasing communication and a sense of community with tenants as well as driving efficiency with service providers and staff

Importance of Elevated Customer Experience in Real Estate

- To stay competitive and drive business engagement, CRE owners and operators need to pivot away from traditional office space metrics & value proposition, and instead focus on strengthening occupant & guest experiences and building local communities
 - According to Deloitte: 92% of CRE executives plan to maintain / increase their tenant experience-related technology investments over the next 18 months
 - “Post-COVID, there has been a real hype cycle around tenant engagement technology – it has matured and it’s reaching critical mass...it’s important to have a digital strategy, and we see this as a key way for us to differentiate ourselves from the competitors.”
- REIT SVP, CIO & CTO
- Increased competition from new market entrants has meant that real estate agents are under more pressure than ever to clearly articulate their value proposition and offer a superior experience as a point of difference
- Bad experiences can quickly drive consumers away, with many saying that they would stop doing business with a company due to unfriendly service (60%), lack of company trust (50%) and unknowledgeable employees (46%). However, it is speed and efficiency (80%), knowledgeable and helpful employees (78%) and convenience (77%) that matter the most when it comes to customer experience
- Communication & Collaboration: This trend is amplified as a result of COVID-19, further forcing the need for software to create seamless collaboration despite physical location
 - Whether it be virtual showings on the single-family side or mobile connected workers in the office
- Work-Life Services
 - The modern office will be about creating a place where people want to come into work every day, requiring services that extend beyond traditional work parameters such as mobile apps, social engagement, wellness solutions and full-featured amenities



How Customer Experience is Elevated Across Real Estate

- Cut down response times
 - Speed, efficiency and convenience are key when it comes to improving your real estate customer experience
- Focus on digital presence: website, blog, and FAQs
 - 81% of consumers using the internet as a starting point for research
- Provide owner or tenant portal access
 - Self-serve access to the user's real estate information in real-time
- Consider Automation and AI
 - Provide prospects and customers timely assistance by leveraging real estate robots and automation
- Use software to create personalized customer reports
 - Personal touches are not only memorable, but can also improve the customer experience
- Measure satisfaction levels
 - When improving your real estate customer experience, it's crucial that you measure your current satisfaction levels
- Net Promoter Score
 - Answers “How likely is it that your customer would recommend your real estate brand to a friend or colleague?”

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Market Activity

Market Overview: Multi-Family Residential Real Estate Sector

Increasing demand for rental units is driving (i) high residential real estate occupancy rates and (ii) a spike in U.S. apartment construction; while COVID-19 continues to inhibit demand as tenants move out or fail to pay rent due to financial hardship, longer-term trends remain positive as the broader multi-family real estate sector has shown to be resilient in comparison to the single-family sector

Residential Real Estate Experiencing Higher Completion Rates & Increasing Occupancy

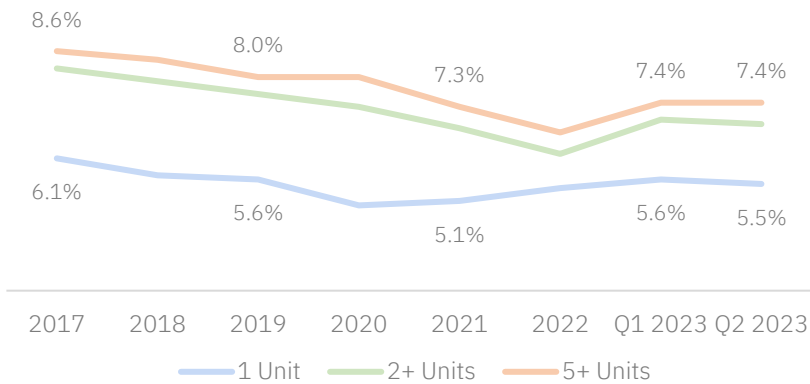
- The US rental market is seeing strong demand and high occupancy rates driven by:
 - Demographic changes that are leading to decreasing levels of homeownership in the US, including: Americans marrying later in life, decreasing family size and increasing divorce rate
 - Stabilizing unemployment rates are driving increasing income, which provides more individuals with the means to rent
 - Population growth in the US, driven largely by millennials and immigrants
 - The asking price of homes increasing at a rate that is faster than income growth
- The surge of rental housing demand along with a steady increase in average rental prices, have incentivized investment in multifamily units via net new construction and have driven consolidation in the industry from REITS, property managers and private owners
- As more units are constructed (and existing units are filled) property managers and investors have been increasing hiring to keep up with the expanding residential market

High Completion Rate in Multifamily Housing

- U.S. Census Bureau data indicates that the number of Multifamily Housing Completions in the US – defined as the number of new units added to the market during a given time period – is 168% higher than the most recent low in 2011 following the recession
- Total family units completed in 2020 increased by 6% to 375,000 – the largest annual count of multifamily units completed in 30 years
- Additionally, absorption rate in the apartment sector has steadily increased showing that there remains sufficient unit demand to support the increasing number of buildings being completed

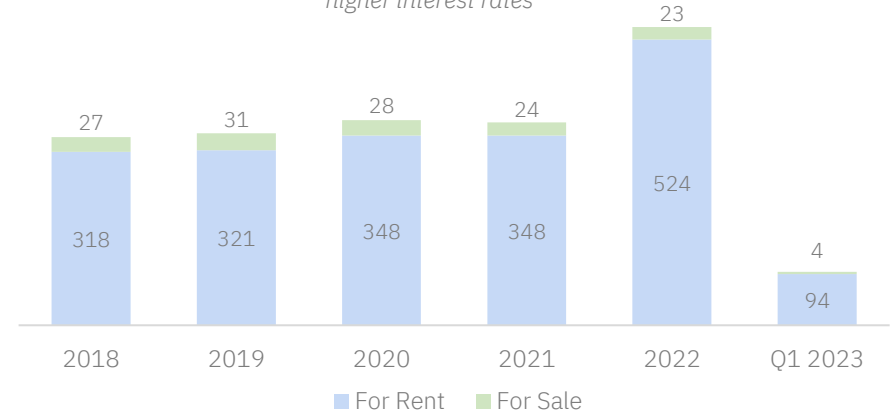
Rental Vacancy Rates by Unit Count

Rental vacancy rates have been declining for several years due to an easy access to credit, but we have seen a recent bucking of this trend in the past two quarters



Annual Multifamily Housing Units Completed (thousands)

Despite the boom in multifamily construction as the pandemic eased, uncertainty remains in the space from tightening credit conditions and higher interest rates



Market Overview: Commercial Real Estate Sector

Coming out of the 2009 recession, the Commercial Real Estate industry has been experiencing rapid increases in new building completions and substantial increases in property valuations; COVID-19 has dampened growth and added uncertainty to 2023+ market trend

Commercial Real Estate Market Tightening in Recent Quarters

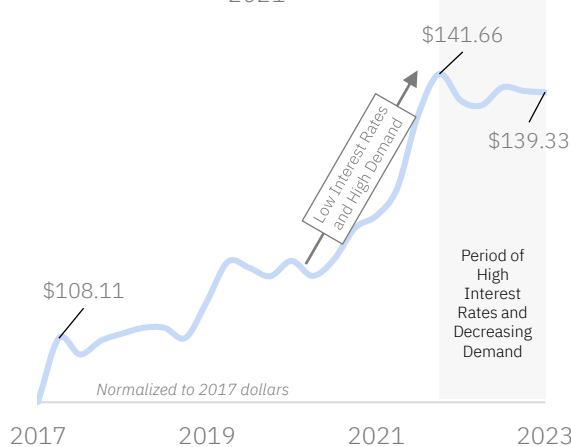
- The regional banking crisis of early 2023 coupled with the rising interest rate environment has increased the economic uncertainty of the Commercial Real Estate Market
 - Regional banks with \$10-160 billion in assets hold 14% of all outstanding CRE debt. Given that the size of CRE assets in the U.S. stands around \$4.5 trillion, these banks hold almost \$630 billion dollars in debt.
 - Not only are many owners / operators of commercial real estate buildings facing increasing interest payments, but also seeing declining revenue as companies cut back on their office need for the new hybrid work environment
- Rising rates led the value of CMBS to rapidly drop and left banks overexposed to the sector, which in turn reduced overall lending and stricter loan covenants
- In Q1 2023, commercial real estate investment decreased by 57% YoY
 - With meteoric drop in investment, there has been a flight to high quality CRE assets that are able to maintain 100%+ net retention and charge higher rents

Effects of COVID-19

- There is little demand for empty spaces across commercial real estate; office and retail space face the strongest headwinds moving into the future
- Office net absorption has been negative for 9 out of the past 10 quarters as tenants pause decisions, evaluating more permanent remote work options
- In Q2 2023, office leasing volume, for the first time in four quarters, saw an 11.6% uptick in square feet of transactions signed; Despite this positive news, it is 27% below 2019 levels and unlikely to return to that level soon
- The office construction pipeline has reached a cyclical peak at ~108 million SF, possibly resulting in a temporary oversupply moving forward
- Within the office sector of commercial real estate, there has been a delineation between 'trophy' buildings (new, desirable architectural design, prestigious location and well-amenitized) and their counter parts. 'Trophy' buildings have seen a positive net absorption while all other office space has seen a decline

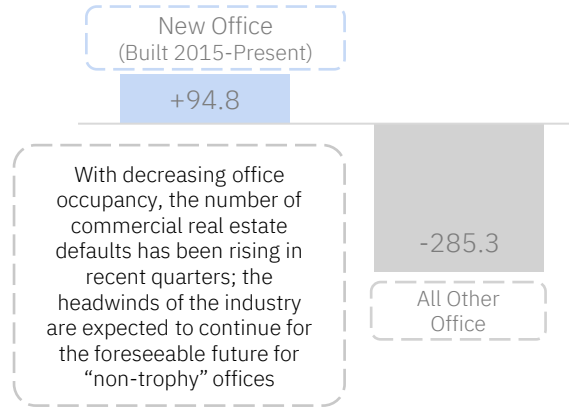
Commercial Real Estate Price Property Index

U.S. Property Price Index ^[1] remains above pre-pandemic levels but have started to taper off after peaking in Q3 2021



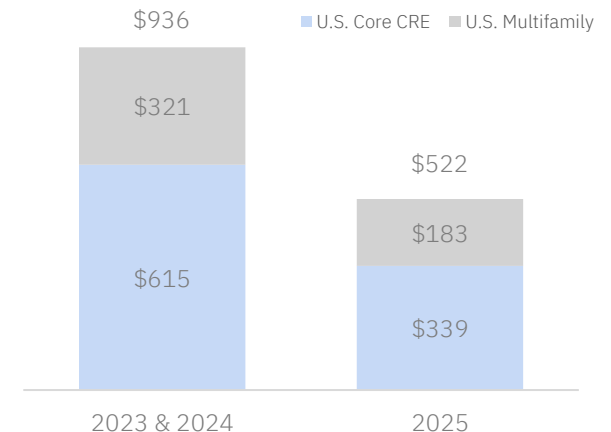
Office Net Absorption Since 2020 (SF, millions)

The "Trophy" Office Segment represents a small part of the office market but has significantly outperformed all other office in Net Absorption



Commercial Real Estate Debt Maturities

While regional banks are coming under more regulatory scrutiny, ~\$1.5 trillion dollars of commercial debt is maturing, highlighting a key challenge in the industry



Multifamily & Commercial Pain Points

Real Estate property managers need software solutions to help address key pain points and optimize ROI



Disparate Assets: Operations teams are faced with the task of managing disparate assets (buildings, people, tenants, systems, HVACs, etc.) across multiple geographies and lack the tools to effectively track and optimize these assets – this leads to wasted time and unnecessary spending, while sometimes leaving monetizable events unmonetized



Rent Collection: COVID was major catalyst for managers to digitize and streamline the rent collection process. Software solutions can eliminate manual paper-based processes and allow tenants to pay online, saving time and effort



Tenant Retention: Property managers must maximize occupancy and minimize vacancy but lack the sophisticated tools to do so. Several software offerings can help strengthen retention by focusing on tenant experience



Siloed Data: The modern, tech-enabled building creates troves of data that is unintegrated and siloed by legacy systems, preventing key decision makers from unlocking its value



Tenant Communications: Property managers need to be able to effectively communicate with their tenants, but many teams lack the necessary tools to do so



Pen & Paper: Many property managers and operations teams still rely on pen and paper; documents like leases and floorplans are not only better managed if digitized, but they are also more valuable as key information can be extracted and utilized



Reputation Management: Apps and websites are making it easier than ever for tenants to share their experiences with one another. Property managers are experiencing a positive ROI by investing in reputation management services that help ensure past and future residents promote the property constructively

Multifamily & Commercial Trends

Underlying trends in the Commercial & Multifamily space all point to increased software spend to drive efficiency, differentiate properties and enhance tenant retention

1

Automation & Digitization

- Virtual tours and 3D imagery have replaced in-person showings amid COVID-19 and 72% of rental agents will continue to utilize the technology moving forward
- E-signatures and payments during real estate agreements have become a mainstream solutions due to flexibility and security provided
- Core back-office operations such as accounting, tracking payments and storing files continue to be automated and centralized through one system

2

Security

- Touchless access control systems like Latch have gained significant steam
- Contactless visitor management and digital registration/sign in
- Cloud-based security systems with remote management
- Edge security and AI collaborate to form a comprehensive solution for physical security. This involves utilizing security hardware, but using underlying data in a much more productive and efficient way

3

Smart Buildings & Homes

- Energy efficiency has become a priority for commercial and residential operations teams
- Buildings and homes have become increasingly equipped with energy management features aimed to help improve operational efficiency, reduce costs and help meet sustainability goals
- Systems are used to control lighting, monitor HVAC equipment, automate blinds and collect rain efficiently
- 62% of “Gen-Z” renters consider smart-home tech more important than traditional amenities

4

Tenant Experience

- Tenant experience platforms have become increasingly important to owners and tenants during a time of high turnover
- Owners use tenant experience software to gather insights and access detailed information relating to tenant satisfaction
- With valuable insights, owners can help deliver a better experience, including rewards, high community engagement and more

Multifamily & Commercial Software Market Landscape

Property Management Software

Property Management Suites

End-to-end property management solutions

CRM

Customer management solutions for managing lead, prospect and customers

Lead Generation & Marketing

Customer outreach and reputation management. Features include rating and review management as well as more targeted email and social media outreach

Internet Listing Services

Online database solutions listing commercial and multifamily properties available for rent

Tenant Experience

Solutions that improve the day-to-day experience for tenants, including better access to amenities to community engagement and offer valuable insights into the property for owners

Smart Home

Technology enabling some degree of automation or remote control of properties

Access Control

Tools that digitally enable access of properties

Vertical Specific

Focused tenant management solutions to verticals such as military, student, senior and affordable housing

Data & Analytics

Data on properties, land, demographics, building layouts and photographs, as well as high level market trends and analysis

Back Office

Leasing

Solutions for the leasing process including simplified onboarding, document management and e-signatures

Accounting

Comprehensive accounting and reporting solutions for building finances including automated bill payments and AP automation

Payments

Online payment and rent collection services

Screening

Automated assessments of potential tenants including criminal background checks and credit and financial reports

Compliance & Training

Solutions for employee training and compliance that strengthen operations and reputation

Investment & Deal Management

Portfolio management from property valuation to benchmarking and analysis

Utility Billing

Billing and customer information management for electricity, gas and water utilities

Maintenance

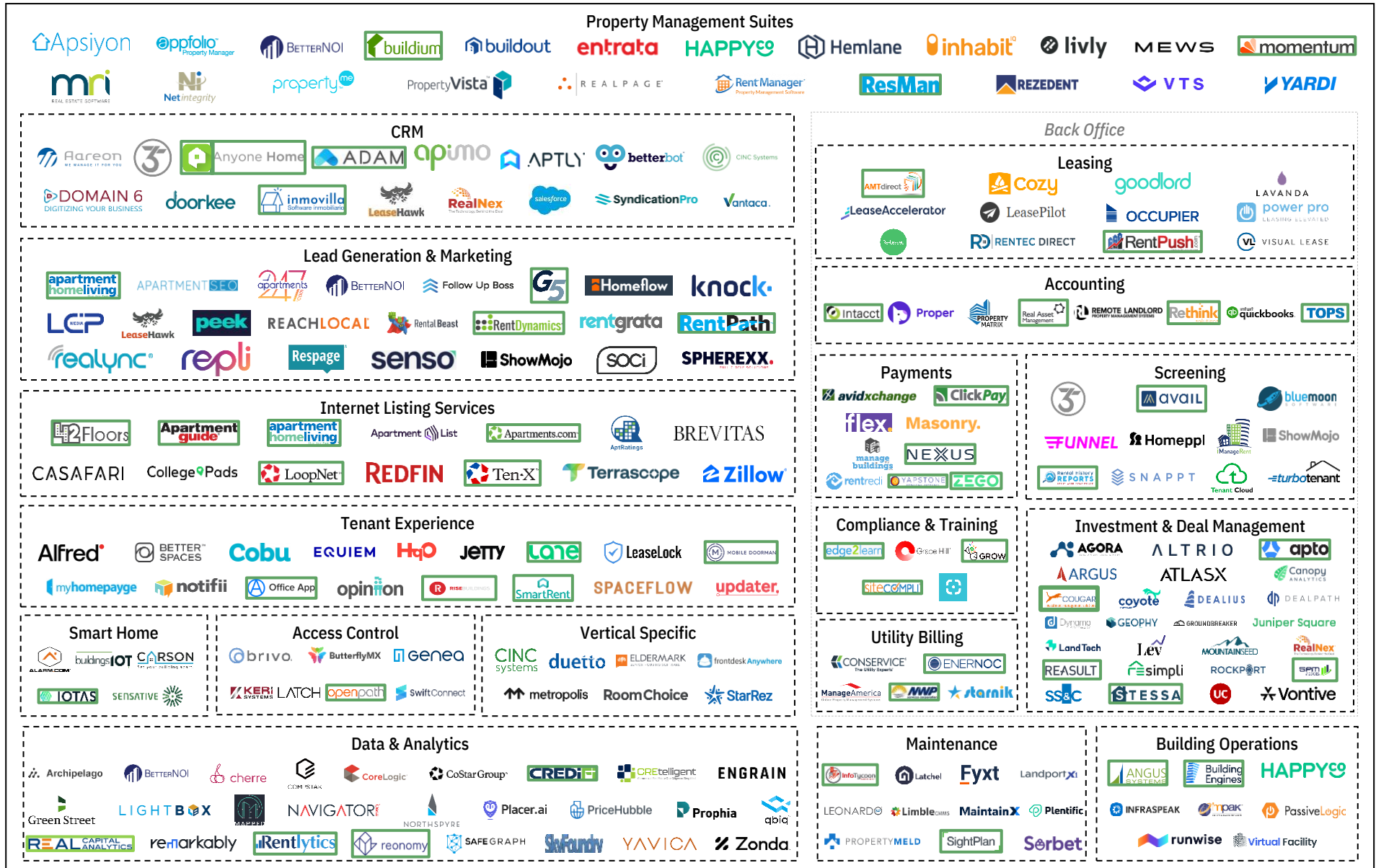
Provides more timely and competitive service levels, while reducing operational costs and increasing profitability

Building Operations

Solutions to streamline building operations and maximize asset value

Multifamily & Commercial Software Market Landscape

Property Management Software



Acquired / Operating Subsidiary

Sector Deep-Dives: Multi-Family Residential & Commercial Rental Market

Multifamily & Commercial Notable Transactions

M&A

	January 2022	January 2022	March 2022	June 2022	November 2023
Target					
Acquirer					
Enterprise Value	\$1.5Bn	n/a	\$135MM	\$177MM	\$400MM
Target Summary	Simplifies resident management, rent documentation and payment processes	Operations management software intended for the commercial real estate industry	Optimizes work orders, inspections and maintenance, improving resident satisfaction	Digitization of property management for commercial and residential real estate	AI based lead management and CRM platform for the real estate industry

Capital Raises

	March 2022	March 2022	December 2022	June 2023
Target				
Investors				
Round / Amount Raised	Series A / \$100M	Series B / £27M	Series A / \$43M	Series C / \$35MM
Target Summary	Fraud detection software that determines the authenticity of financial documents submitted for rental applications	Rental transaction platform that helps handle transactions and the paperwork normally associated with renting a home	Real estate transaction platform that helps streamline the funding lifecycle for operators and their lenders	Conversational AI for potential and current renters of single-family & multi-family buildings

Agenda

Shea & Company Firm Overview

Real Estate Market Overview & Trends

Sector Deep-Dives:

- Multi-Family Residential & Commercial Rental Market

—————> IWMS Market

- Single-Family Residential Market
- Short-Term Rental Market

Market Activity

Market Overview: Integrated Workplace Management Systems

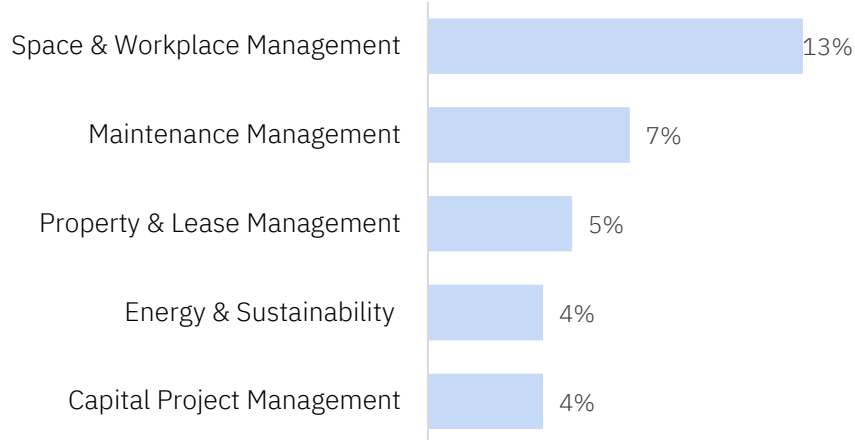
The IWMS market is forecasted to grow at a 13% CAGR from 2021E – 2027E driven largely by the need for space & workplace management solutions in the post-COVID environment

Desire for Software Solutions

- COVID-19 impacts on IT Spending Survey data shows that two-thirds of companies are investing in automation related to their facilities as of 2021
- Employees' work environment has a significant impact on their effectiveness & engagement, yet only 13% of workers report being completely satisfied with their workspace
- 71% of employees agree that emerging technologies are an opportunity in the workplace. Internet of Things (IoT) and artificial intelligence (AI) create smart and intelligent corporate facilities with an increase in employee engagement, effectiveness and innovation
- Changing energy efficiency regulations and lease accounting rules are driving the need for organizations to adopt IWMS solutions that can help them navigate these changes correctly and with ease
- Employees who are engaged and happy with their workspace show up at work more often, resulting in a 41% reduction in absenteeism and a 17% increase in productivity
- Large building occupiers have long been the primary target market for IWMS providers, however, recently there has been an effort to serve the mid-market with better tailored solutions
- Many real estate managers have a long-term desire to centralize their firm's real estate and facilities data, IWMS solutions help reduce reporting complexity and drive better decision making

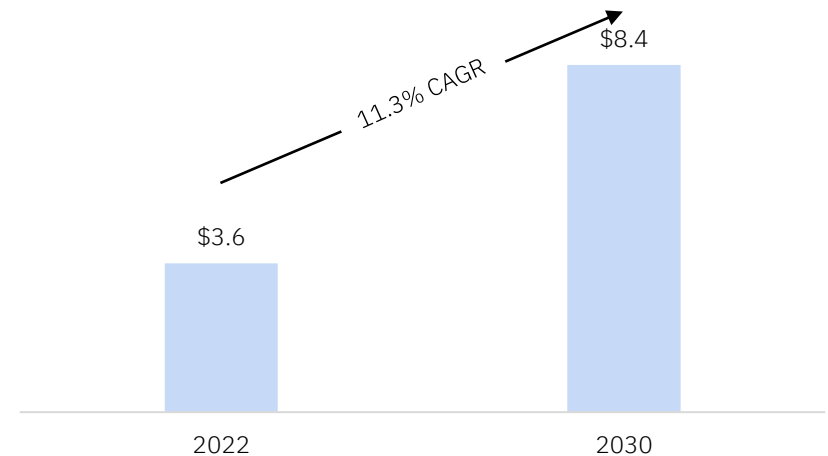
2019 – 2024 CAGRs For IWMS Spending by Functionality

Firms are investing in space & workplace management to aid with a return to work and manage space post-COVID



Worldwide IWMS Forecast (\$ billions)

The IWMS market is forecasted to nearly double from 2022 - 2027



Market Void & Pain points Intensified by the Pandemic

Historical inhibitors to technology adoption are being broken down as digital transformation and employee experience are no longer seen as “nice-to-haves” and will be mission-critical for companies looking to encourage ‘return to work’, boost productivity and engrain corporate culture



- **Urgent Need for Digitization & Mobility:** The pandemic has exposed major digital deficiencies - companies have realized they need solutions to digitize & automate manual processes and better manage their space



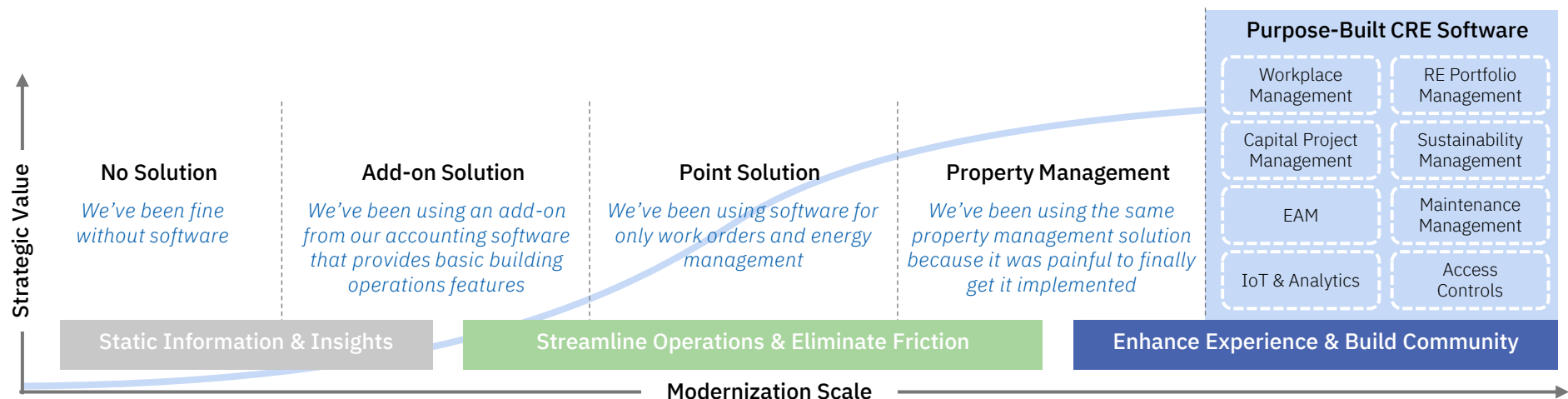
- **Compatible Solutions Supporting Hybrid Workforce:** As workforces become increasingly distributed and mobile, organizations will be forced to adopt mobile-powered cloud-based solutions that have complete interoperability on the field, in the office, and outside the workplace



- **Data Silos & Disparate Systems:** Limited procurement budgets coupled with changing workplace dynamics / preferences, companies can no longer afford to maintain status quo by using legacy, point solutions lacking seamless integrations across the ecosystem



- **Requirements to Ensure Healthy & Safe Workplace:** Companies will need to deploy innovative technology solutions such as touchless access controls, visitor management, contactless check-in / out, hoteling and health attestation to address increasing health, safety, and compliance requirements brought forth by the COVID-19 pandemic



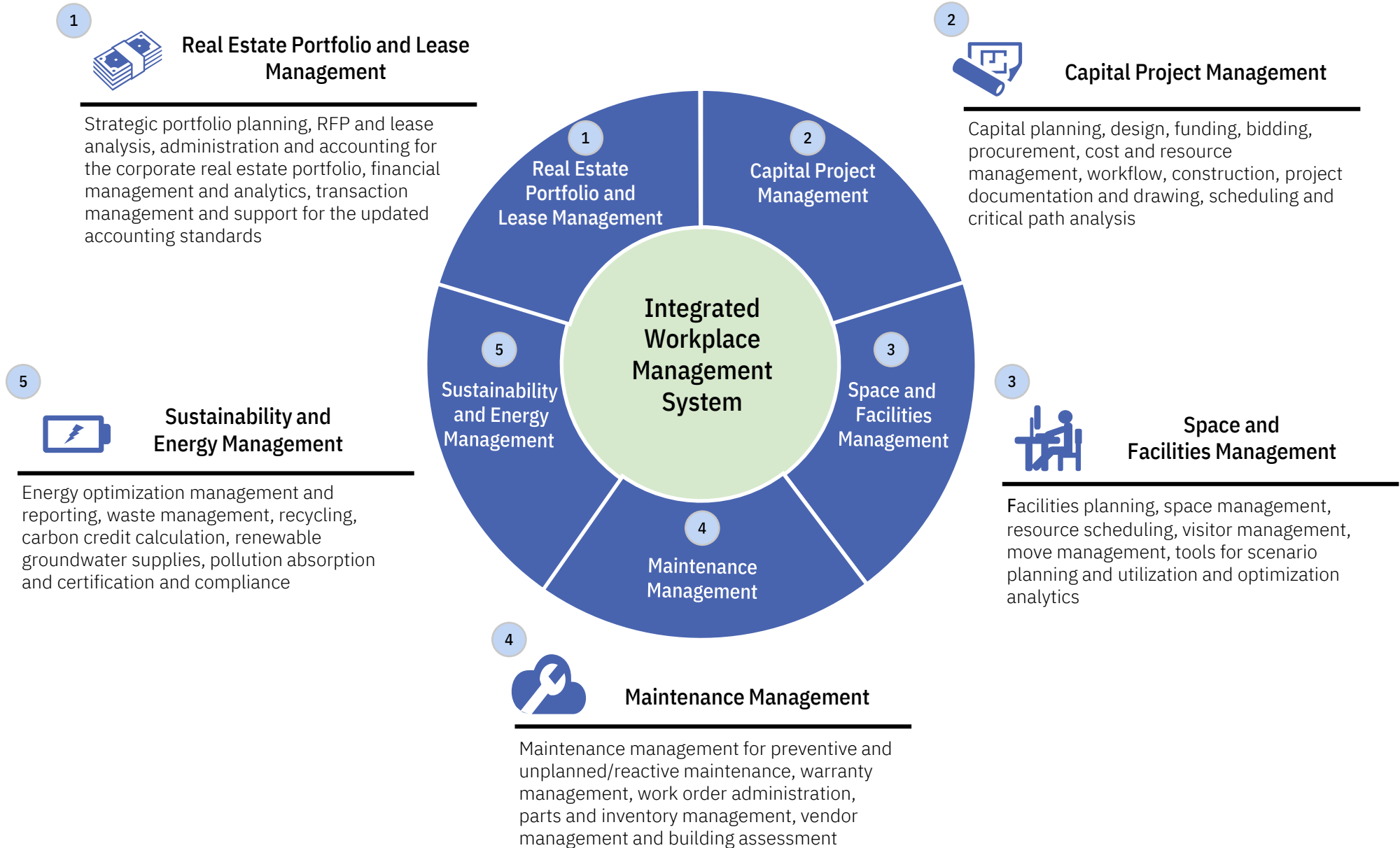
IWMS Trends

Companies need to have the proper tools in place to effectively manage the “return to office” transition and optimize their RE footprint given changing needs in light of COVID-19



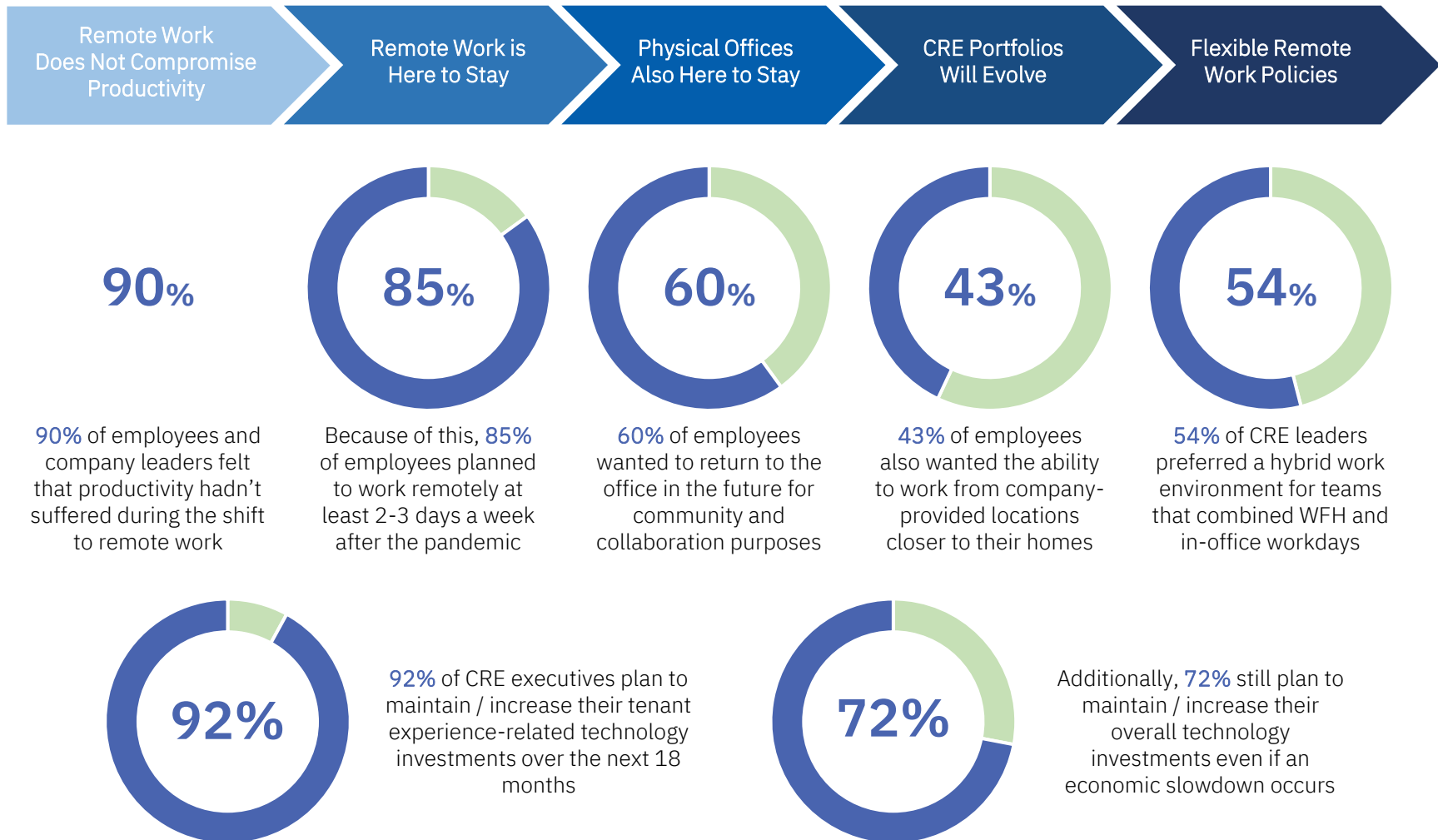
Core IWMS Functions

Integrated workplace management systems manage the end-to-end life cycle of corporate and retail facilities, focusing on five core areas of functionality



Paradigm Shift in the Workplace

The rapid transition towards hybrid work has provided more flexibility across the workplace, but new complexities from collaboration to health & safety to community engagement are forcing CRE leaders to adopt technology or get left behind the competition



Thus, the ability to leverage technology and data to frequently collaborate, communicate, and coordinate across all building occupants will be critical factors of success to build operational, financial, and cultural resilience across the workplace

IWMS Market Landscape

Integrated Workplace Management Software

Integrated Workplace Management Suites

End-to-end solutions for the management of facilities and workplace, including the management of capital projects, leases, space, maintenance and energy usage

Workplace Management

Space Management

Layout and spacing of properties, including real-time floor plan views, facility management reports and move planning support

Scheduling & Employee Experience

Workstation and visitation management and conference room scheduling, allowing employees to collaborate more efficiently

Workplace Safety

Reinforce safety standards, improve operational efficiency and streamline safety process – all in one place

Visitor Management

Tools to enable employees and guests to visit the workplace

Real Estate Portfolio Management

Includes strategic portfolio planning, RFP and lease analysis, administration and accounting for the corporate real estate portfolio, financial management and analytics, transaction management, and support for the updated accounting standards

Capital Project Management

Includes capital planning, design, funding, bidding, procurement, cost and resource management, workflow, construction, project documentation and drawing, scheduling, and critical path analysis

Sustainability & Energy Management

Control operational assets and equipment, helping maintenance teams make better decisions, enhance efficiency and maximize overall physical asset usage

Maintenance Management

Includes maintenance management for preventive and unplanned/reactive maintenance and warranty management, work order administration, parts and inventory management, vendor management, and building assessment

IoT / Analytics

Real-time facility data collection and dashboarding; devices (sensors, software, online connectivity) monitor various building characteristics, analyze the data, and generate insights around usage patterns and trends that can be used to optimize the building's environment and operations

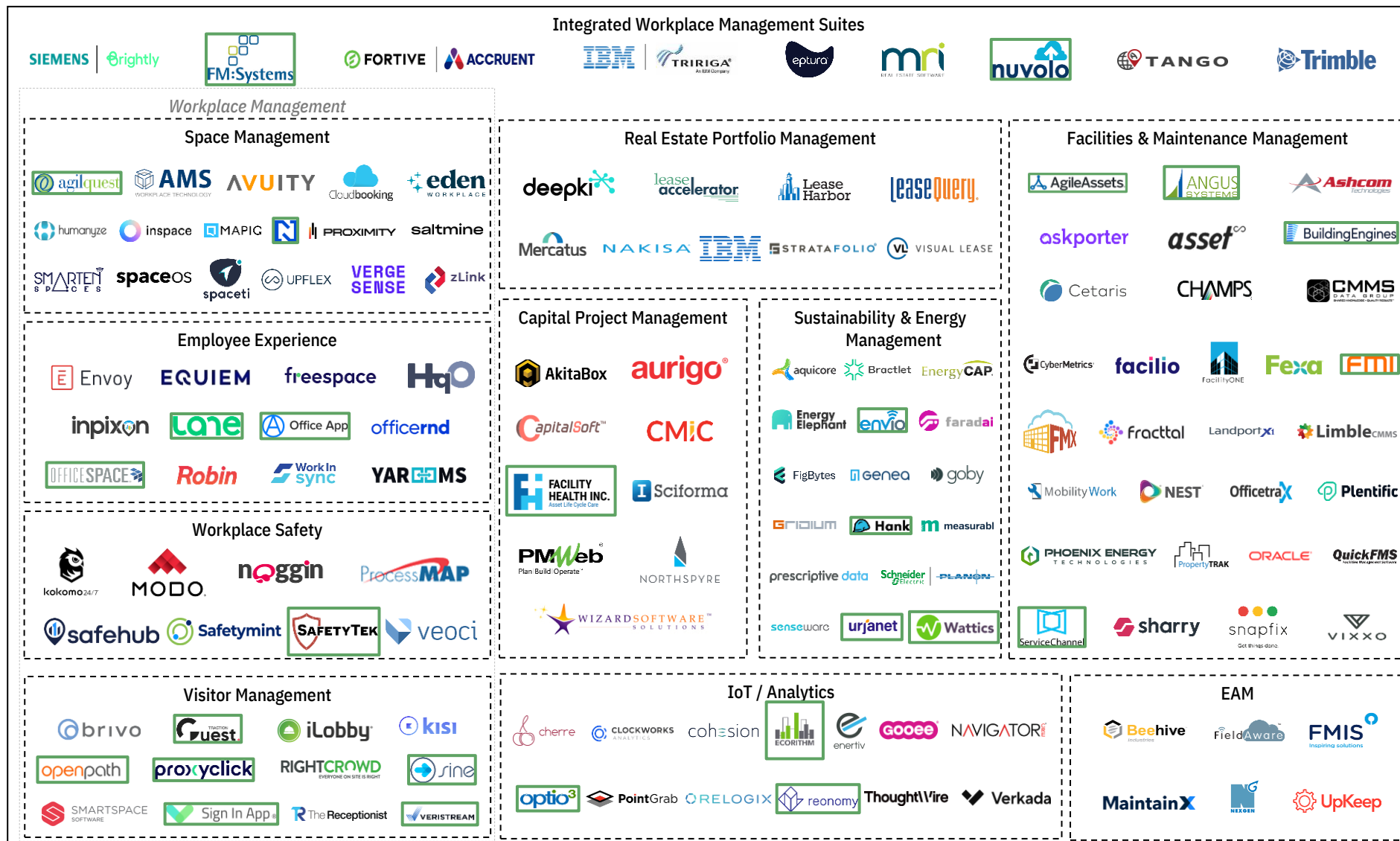
EAM

Includes energy optimization management and reporting, waste management, carbon credit calculation, renewable groundwater supplies, pollution absorption, allowing users to reduce costs and promote conservation

Acquired / Operating Subsidiary

IWMS Market Landscape

Integrated Workplace Management Software



IWMS Notable Transactions

M&A

	November 2021	January 2022	August 2022	January 2023
Target				
Acquirer				
Enterprise Value	n/a	n/a	\$1.6Bn	\$950MM
Target Summary	Tango is a provider of store lifecycle and integrated workplace management software	StarRez accommodates an automation and property management platform for residential communities	Brightly provides operations management software for education, government, healthcare and manufacturing industries	SMS Assist provides a full-service facility management platform and connects facility owners with service providers

Capital Raises

	January 2022	February 2022	March 2022	July 2022	May 2023
Target					
Investors					
Round / Amount Raised	PE Growth / \$150MM	Series B / \$35MM	Series C / £150MM	PE Growth / \$40MM	Series D / \$93MM
Target Summary	Workplace management software intended for dynamic organizations that connects employees	Building management platform designed to create a smart facilities experience	SaaS-based data management platform that allows investors to digitize large property portfolios	Facilities management and maintenance SaaS for operators of multi-location enterprises	Data management platform for ESG and sustainability performance reporting

Agenda

Shea & Company Firm Overview

Real Estate Market Overview & Trends

Sector Deep-Dives:

- Multi-Family Residential & Commercial Rental Market
- IWMS Market

—————> Single-Family Residential Market

- Short-Term Rental Market

Market Activity

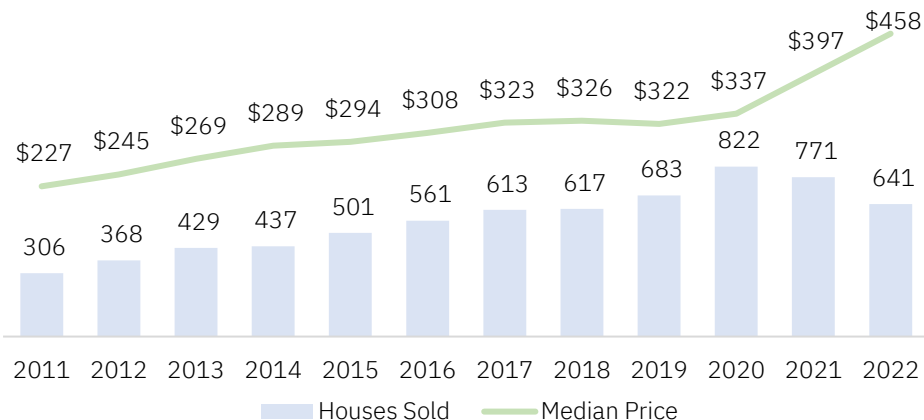
Single-Family Residential Market Overview

The underlying housing market in the US is strong, recovering well in recent years from the 2008 housing crash and Millennials are quickly becoming a significant percentage of the buyer universe. However as average home prices outpace units sold, the previously-hot housing market is continuing to cool.

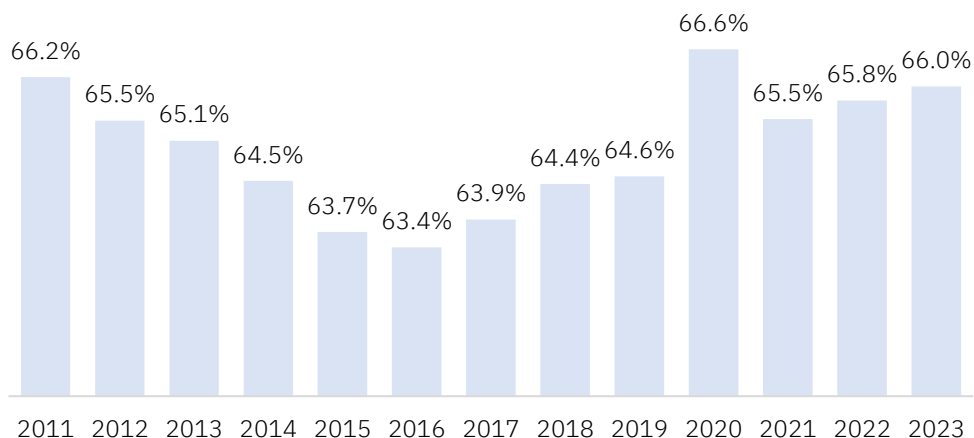
Single-Family Market Trends

- New home sales peaked at 771K in 2021, slightly decreasing to 641K in 2022
 - The median price of homes has also been steadily increasing, reaching \$458K in 2022, up from \$227K in 2011
 - The homeownership rate has also rebounded since dropping to a low of 63.5% in Q3 2016, reaching 66.0% in Q1 2022 – however this is still down from the COVID-19 induced jump in 2022 and down from 69.0% in 2006 (not shown)
- In recent years, many first-time homebuyers have delayed homeownership, opting to rent for longer driven by student debt and financial uncertainty
 - Single-family rentals account for 35% of all US Rentals with build-to-rent homes being constructed at all-time highs; despite this increase, there is still a lack of supply
 - Institutionally-owned, single-family residence growth remains concentrated in build-to-rent products as inventory shrinks and mortgage rates rise
- Despite a cooling housing market, home prices have remained surprisingly firm and the number of homes on the market remains less than half of what it was in the years preceding the pandemic
 - Although many houses are still selling for over the list price, 25% of buyers paid in all-cash and the average time on market remains low at 18 days
 - Due to the lack of housing inventory and the pace of the market, 8% of home buyers purchased solely based on a virtual tour

Single-Family New Home Sales by Unit Count (thousands) & Median Price (\$ thousands)



Homeownership Rate (as of Q1 2023)



Single-Family Software Trends

The single-family market has been incredibly resistant with the adoption of software, allowing them to rapidly adapt to changing economic environments and new underlying homebuyer trends

1

Automation of Administrative Tasks

- Brokerages are aggressively competing to add agents in an effort to gain market share, grow revenue and boost profits – 80%+ of brokerages are planning to add more agents in this market
- However, with incremental headcount comes administrative challenges
- With the power of automation that is delivered by software solutions, brokerages are able to fix inefficiencies like agent administration without the headache & cost of adding more support staff

2

Adoption of Mobile Solutions

- COVID-19 illustrated just how quickly unforeseen factors can drastically affect day-to-day
- With technology lenders, brokers and agents are able to streamline consumer experiences, improve workflow efficiencies, enhance partner collaboration and ultimately execute successful digital strategies
- More recently, lenders, brokers and agents have been leveraging mobile technology to create new opportunities for engagement, enhance convenience and increased speed and transparency
- With mobile solutions, real estate professionals can engage with potential clients earlier in the process and reduce cycle times

3

Eliminate Manual Data Entry & Management

- Data entry and management is a major pain point for most industry participants:
 - 36% of brokerages site data entry as their biggest inefficiency
 - 50% of brokerages take over an hour to process the data from a single transaction
- Automating back-office functions, such as data entry and transaction management, removes opportunity for human error, saves time and opens the door for new learnings

4

Digital Marketing

- COVID accelerated the shift from print marketing to digital marketing
- Digital marketing, in most cases, is a lower cost and provides a better ROI
- With the advancement of technology, the effectiveness of lead generation has been greatly approved
- 43% of real estate professionals in the single-family industry are looking to spend more on digital marketing moving forward

Single-Family Residential Software Market Landscape

Single-Family Residential Software

Brokerage Management Suites

End-to-end brokerage management solutions for single-family homes

CRM & Lead Management & Marketing

Customer management, lead management, customer outreach and reputation management solutions; features include rating and review management as well as more targeted email and social media outreach

ILS

Online database solutions listing single-family properties available for rent

Software-Enabled Brokerage

Online platform facilitating the entire home buying/selling process from listing to agent matching to showings and the eventual sale

Back Office

Transaction Management

Form creation, e-sign and various other documentation and tracking solutions for management of the transaction process and related paperwork, tasks and requirements

Accounting & Commission Management

Accounting solutions including brokerage / real estate focused functionalities such as commission splits and disbursements

Title & Closing

Title and closing management solutions including document management, milestone tracking and reporting, among others

Agent Matching

Online platform connecting home sellers with potential real estate agents

Property Showing

Virtual property showings, scheduling and tracking, information sharing and feedback gathering solutions

Mortgage Data

Platforms facilitating mortgage transactions from origination to post closing

Lending

Wide range of lending solutions for both the individual and provider including marketplace and listing platforms

Data & Analytics

Data on properties, land, demographics, building layouts and photographs, as well as high level market trends and analysis

Insurance

Online homeowner insurance solutions

Crowdfunding

Platforms enabling individuals to participate, with others or in isolation, in property investments

Property Maintenance

Platform solutions for businesses operating in single-family property maintenance and management

Acquired / Operating Subsidiary

Single-Family Residential Software Market Landscape

Single-Family Residential Software

Brokerage Management Suites



CRM & Lead Management & Marketing



ILS



Software-Enabled Brokerage



Back Office

Transaction Management



Accounting & Commission Management



Title & Closing



Agent Matching



Property Showing



Mortgage Data



Lending



Data & Analytics



Insurance



Crowdfunding



Property Maintenance



Acquired / Operating Subsidiary

Single-Family Software Notable Transactions

M&A

	November 2021	November 2021	February 2022	May 2022
Target				
Acquirer				
Enterprise Value	\$918MM	\$1.2Bn ^[1]	\$115MM	\$13.1Bn
Target Summary	Loan life cycle management software that connects mortgage lenders with borrowers and real estate agents	Operator of an online mortgage marketplace catering to investors, lenders and originators	Email marketing platform for real estate agents to eliminate cold calls, have better conversations and close more deals	Software data and analytics solutions for the mortgage and consumer loan, real estate and capital markets industry

Capital Raises

	December 2021	January 2022	January 2022	March 2022	May 2023
Target					
Investors					
Round / Amount Raised	Series D / \$150MM	Series E / \$240MM	Series B / \$37MM	Series C / n/a	Series B / \$100MM
Target Summary	Mortgage software designed to simplify mortgage closings and enhance the borrower experience	Property investment marketplace software allowing investors to treat RE assets like a stock portfolio	Network that connects buyers and sellers of mortgage loans through API integration	3D media platform designed to revolutionize marketing solutions for the property industry	Platform streamline and manage institutional investments into the single-family rental industry

Agenda

Shea & Company Firm Overview

Real Estate Market Overview & Trends

Sector Deep-Dives:

- Multi-Family Residential & Commercial Rental Market
- IWMS Market
- Single-Family Residential Market

—————> Short-Term Rental Market

Market Activity

Short-Term Rental Market Overview

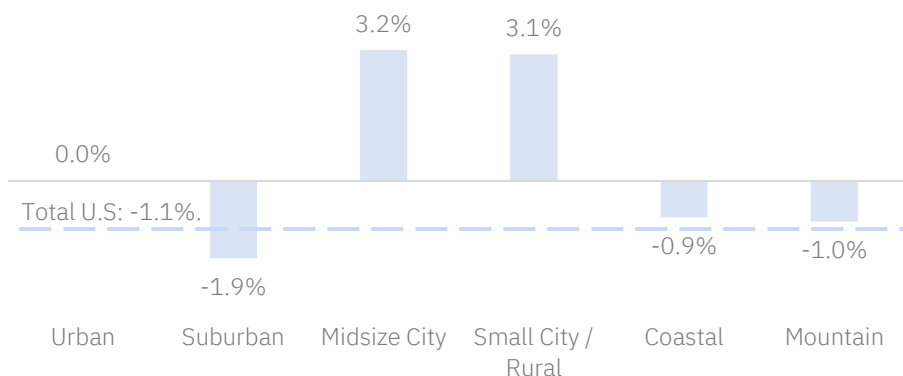
The short-term rental demand exceeded 2022 expectations and surpassed 2019 levels, signaling the end of recovery and the beginning of the next phase of expansion for the short-term rental industry in 2023

Short-Term Rental Market Trends

- Analysts say the vacation software market is expected to significantly grow over the long term, given end market expansion and increased digitalization of vacation bookings
- The industry shows significant growth as short-term rentals are made more accessible to travelers, providing the opportunity for a more affordable and less traditional experience
 - According to Morgan Stanley's annual traveler survey, price was the most important factor in choosing a short-term rental, followed by 33% of the respondents answering location as most important decision making
- The elasticity of the short-term rental supply allows for demand to be met during peak season or major events then taken away afterwards
 - Q3 2023 has so far shown a 31% increase in short term rental occupancy rates compared to the same time period in 2019
 - Across 30 major US cities, short-term rentals, on average, offer a discount of 5% on ADR with discounts as large as 30% in some urban markets compared to traditional hotels
- Short-term rental demand grew 10.4% in 2023E and demand shifted to larger homes in destination markets, leading to overall 2022 and 2023E ADR growth
 - Globally, ADRs were up 2.1% but occupancy fell to 57.6% in 2023E
- 2023 listings and ADR are expected to increase as business travel demand grows and decreasing COVID-19 regulations offset the softening in leisure demand

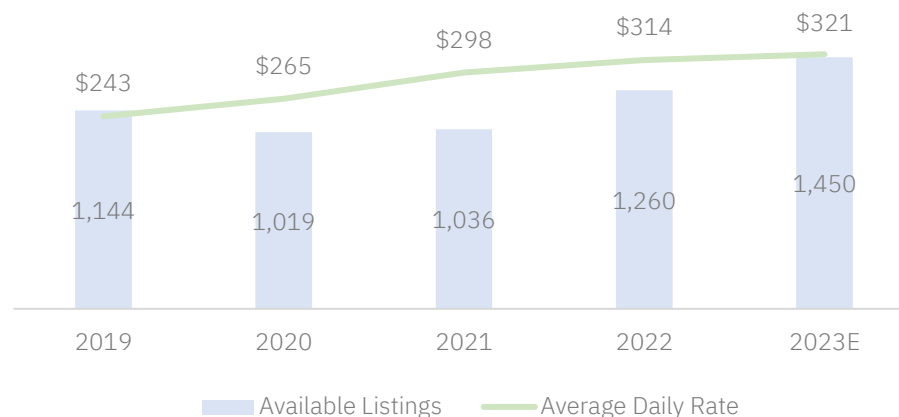
YoY Change in RevPAR (2022 – 2023E)

As the economy continues to cool, the RevPAR for the short-term rental market is expected to decrease on average across the U.S., but some location types are fairing better than others



Short-Term Rental Forecast (listings in thousands)

After a boom following the easing of pandemic restrictions and as the economy is cooling, the short-term rental market's available listings and ADR is plateauing



Evolution of the OTAs

The process of listing and booking short-term rentals has evolved along with technological improvements over the recent decades, however, the digital transformation of the sector has been accelerated in light of COVID-19

The Rise of OTAs

- Beginning in the 1950s, advertisements and listings for short-term vacation rentals began to appear in newspapers as an inexpensive alternative to hotels
- Before there was widespread use of the internet, the most common process to plan a vacation began with a call to a travel agent
- Travel agents act as a source of centralized information on destinations, lodging and more that was not readily available to the average person
- In 1995, the first online vacation rental platform, VRBO is founded, allowing users to browse and book rental properties that are managed by individual owners over the internet
- After VRBO is founded, multiple vacation rental marketplaces are established, leading an increase in concentration of information about vacation rentals online and the increased availability to book online
- OTAs became increasingly popular due to their ability to offer rich tools, analytics and insights to bring versatility in booking short-term rentals

Short-Term Rental Market Today

- Airbnb launches out of San Francisco in 2008 and is the first company to allow guests to book a single room in a host's home and pay over the internet for the service
- Vacation rental managers focus on search engine optimization to increase their visibility as the rental supply continues to grow with more online bookings
- A majority of OTAs charge a fee per booking but the listing is free, resulting in property managers listing their properties on multiple sites
- Majority of decision making has moved away from traditional travel agents and towards an online rental marketplace; over 90% of travelers will do their research online and 82% will end up booking online
- Online short-term rental platforms have expanded to offer hosts additional revenue streams with their listings, for example, Airbnb with their experiences platform
- Constantly changing travel restrictions during COVID-19 increased the demand for travel agents after years of decline, given their ability to monitor restrictions and rapidly provide alternative accommodations as needed

Where the Market is Headed

- Although COVID-19 has created a temporary resurgence in travel agents due to their ability to keep their finger on a pulse of travel during the pandemic, OTAs continue to maintain a positive trend
- Increased regulation of short-term rentals will reduce the supply of inventory, leading to higher ADRs and incentivizing creating a unique accommodations
- The popularity and availability of a self check-in system will continue to increase as a result of COVID-19, limiting physical contact with options such as a key lockbox, smart lock, keypad etc.
- Physical guidebooks and concierge type services are becoming automated, leading to the opportunity for the host to increase their revenue streams through online platforms
- Short-term rentals are being turned to as viable booking options for business travelers
- Airbnb launched Airbnb for Work, and companies like Sonder emerge providing a more elite hospitality-focused, short-term rental experience
- Processes from checking in to booking tours to reviews are all becoming automated



The value provided by travel agents is severely diminished by the increasing availability of information to the average person

The online short-term rental marketplace offers a high level of flexibility to list and book short-term rentals

COVID-19 has fast-tracked the digital transformation in the short-term rental space

Short-Term Rental Software Trends

COVID accelerated the adoption of technology in the short-term rental industry as property managers and hosts tried to navigate an extremely dynamic environment amidst travel restrictions and new demands from guests

1

Pricing Optimization

- During the pandemic, traditional pricing strategy was abandoned as seasonality and major local events had a lesser effect on pricing
- With so much uncertainty around flow of travel and non-traditional short-term rental options gaining popularity, revenue management tools are being utilized by property management companies and hosts
- Renters can earn up to 40% more revenue and scale their portfolio with better pricing strategy

2

Guest Experience

- Guest experience is a differentiator with added offerings such as high-quality amenities, premier service and curated entertainment packages
- Property managers who utilize guest experience tools are able to increase revenue, repeat guests and occupancy rate in low season
- Offering online check-in, guidebooks, interactive maps, chat support, mobile keys and digital checkout are becoming important staples to a well-run short-term rental

3

Health & Safety

- Health and safety of guests quickly became a top priority of property managers and hosts during COVID
- There is a desire for properties that have, top tier cleaning protocols, self-check-in, highlighted safety features, flexible cancellations and easy communication
- The shift towards contactless technology has been accelerated as property managers and hosts look to eliminate any element of the experience that could create risk for the guests, staff or cleaners

4

OTAs

- 51% of owners/managers rely on OTAs and to increase visibility, many list on multiple sites – this is difficult to manage manually and there are a number of players that coordinate between OTAs, improve page ranking and optimize pricing
- The space lacks a true core PMS that can handle everything from maintenance management to amenity booking to accounting
- Local governments have turned to software solutions that help enforce laws and collect taxes accordingly
- 25% of Owners/Operators cited compliance as their biggest challenge and the space lacks a software solution that addresses this pain point

Short-Term Rental Software Market Landscape

Short-Term Rental Software

Online Travel Agency (OTAs)

An online travel agency (OTA) is a web-based marketplace that allows consumers to research and book travel products and services, in this case we focus on short-term accommodations

Suite Solutions

End-to-end vacation rental property management solutions

Channel Management & PMS

A channel manager is a tool that allows property managers to publish and update all of their listings across multiple channels from a central dashboard and continuously manage and scale their businesses with as much exposure as possible. The primary benefit of using a channel manager is the ability to automatically push all of your listings to as many OTAs as you want. Instead of relying on one website to promote a given listing, you can gain exposure to millions of people across multiple platforms without the massive, time-consuming undertaking of manual listing management

Most channel managers offer several add-on Property Management Software (PMS) tools to offer robust vacation rental solutions

Marketing & SEO

Marketing and search engine optimization tools to display properties in the best light and maximize rental income

Payments & Billing

Payment processors help you get paid for your rentals. Large volume and quick timeline of rentals make these tools vital

Revenue Management

Dynamic pricing tools and data solutions that help maximize rental revenue

Guest Experience

Solutions focused on improving communication with guests to enhance experience. Including applications for concierge services, automated housekeeping, special events

Smart Home & Security

Vacation property technology to streamline manual processes like check-ins and provide amenities

Protection Software

Insurance and asset protection solutions for managing risks associated with rentals

Data & Analytics

Data on properties, land, demographics, building layouts, pricing, as well as high level market trends and analysis

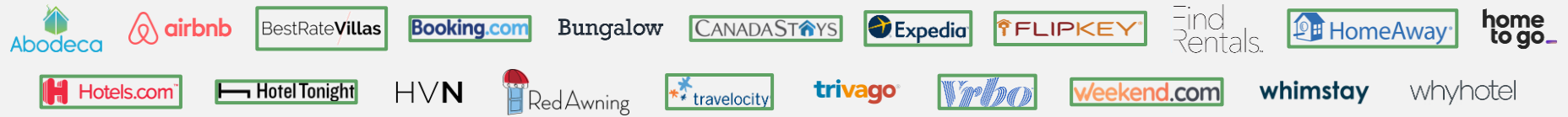
Housekeeping Software

Solutions to facilitate maintenance and upkeep of rental properties. Turnover timelines must be swift and precise to ready units for the next reservation

Short-Term Rental Software Market Landscape

Short-Term Rental Software

Online Travel Agency (OTAs)



Suite Solutions



Channel Management & PMS



Marketing & SEO



Payments & Billing



Revenue Management



Guest Experience



Smart Home & Security



Protection Software



Data & Analytics




Housekeeping Software



Acquired / Operating Subsidiary

Short-Term Rental Software Notable Transactions

M&A

	June 2020	April 2021	January 2022	March 2022	July 2022
Target					
Acquirer					
Enterprise Value	n/a	n/a	n/a	n/a	n/a
Target Summary	Blizzard provides digital marketing, web design and online booking engine services	MyVR enables guest communications and payment processing	Hotel management software offering analytics and guest relationship, operations management	Rental data and analytics by tracking daily performance to empower rental business	SaaS vacation rental management and vacation rental channel manager systems

Capital Raises

	November 2021	February 2022	July 2022	December 2022	May 2023
Target					
Investors					
Round / Amount Raised	Series D / \$150MM	Series E / \$100MM	PE Growth / \$30MM	Series C / \$185MM	PE Growth / \$175MM
Target Summary	Connects hotel properties to channels with two-way integration	Rental property management platform with a unique tech-enabled, asset-light approach	Revenue management platform that identifies optimum rent using predictive analysis	Hotel management platform for automating operations, bookings management and staff training	Channel manager platform for vacation rental hosts

Agenda

Shea & Company Firm Overview

Real Estate Market Overview & Trends

Sector Deep-Dives:









- Multi-Family Residential & Commercial Rental Market
- IWMS Market
- Single-Family Residential Market
- Short-Term Rental Market

—————> **Market Activity**

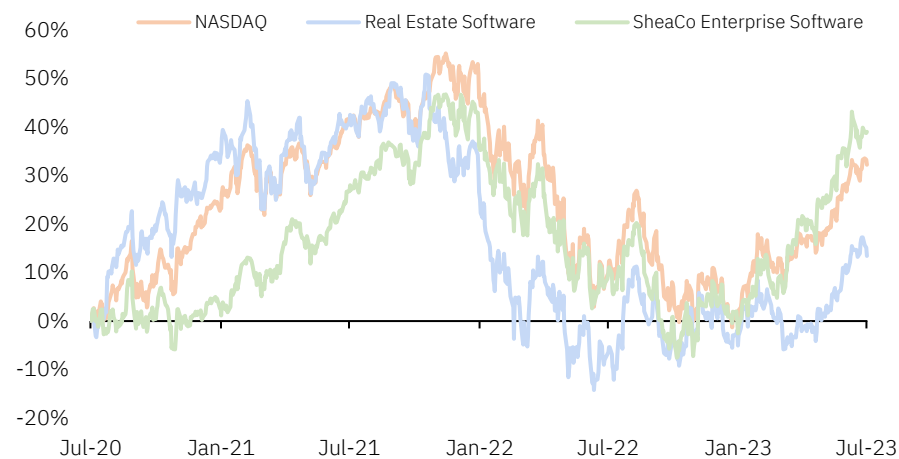
Public Markets

Public real estate software vendors have experienced slowdowns in stock performance, but still command premium multiples relative to the broad universe of public enterprise software vendors

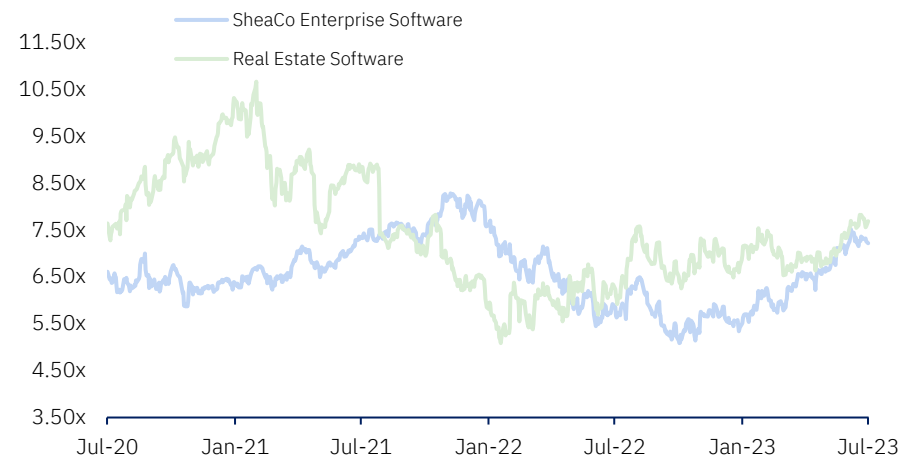
Representative Public Real Estate Software Vendors (\$ millions)

	 AltusGroup	 appfolio Property Manager	 Bentley	 CoStar Group	 NEMETSCHEK GROUP	 PROCORE	 Trimble	 Zillow
Market Cap	\$1,628	\$6,518	\$16,609	\$32,740	\$9,638	\$9,638	\$12,486	\$10,054
Enterprise Value	\$1,881	\$6,397	\$18,209	\$28,634	\$7,938	\$9,115	\$15,549	\$10,054
LTM Price Performance	7%	65%	66%	12%	54%	37%	-3%	47%
3-Year Price Performance	-16%	10%	65%	-9%	-13%	n/a	-4%	-58%
CY23E Revenue (EV Multiple)	\$54.18 (3.5x)	\$465 (13.8x)	\$1,092 (16.7x)	\$2,178 (13.1x)	\$857 (9.0x)	\$708 (12.9x)	\$3,696 (4.2x)	\$6,165.98 (1.4x)
CY23E EBITDA (EV Multiple)	\$101 (18.7x)	\$19 (nm)	\$363(nm)	\$668 (42.8x)	\$277 (27.9x)	-\$34(nm)	\$918 (16.9x)	\$576 (15.0x)
IPO Date	5/18/2005	6/25/2015	9/23/2020	7/1/1998	3/10/1999	5/20/2021	7/20/1990	7/20/2011

3 Year Relative Performance



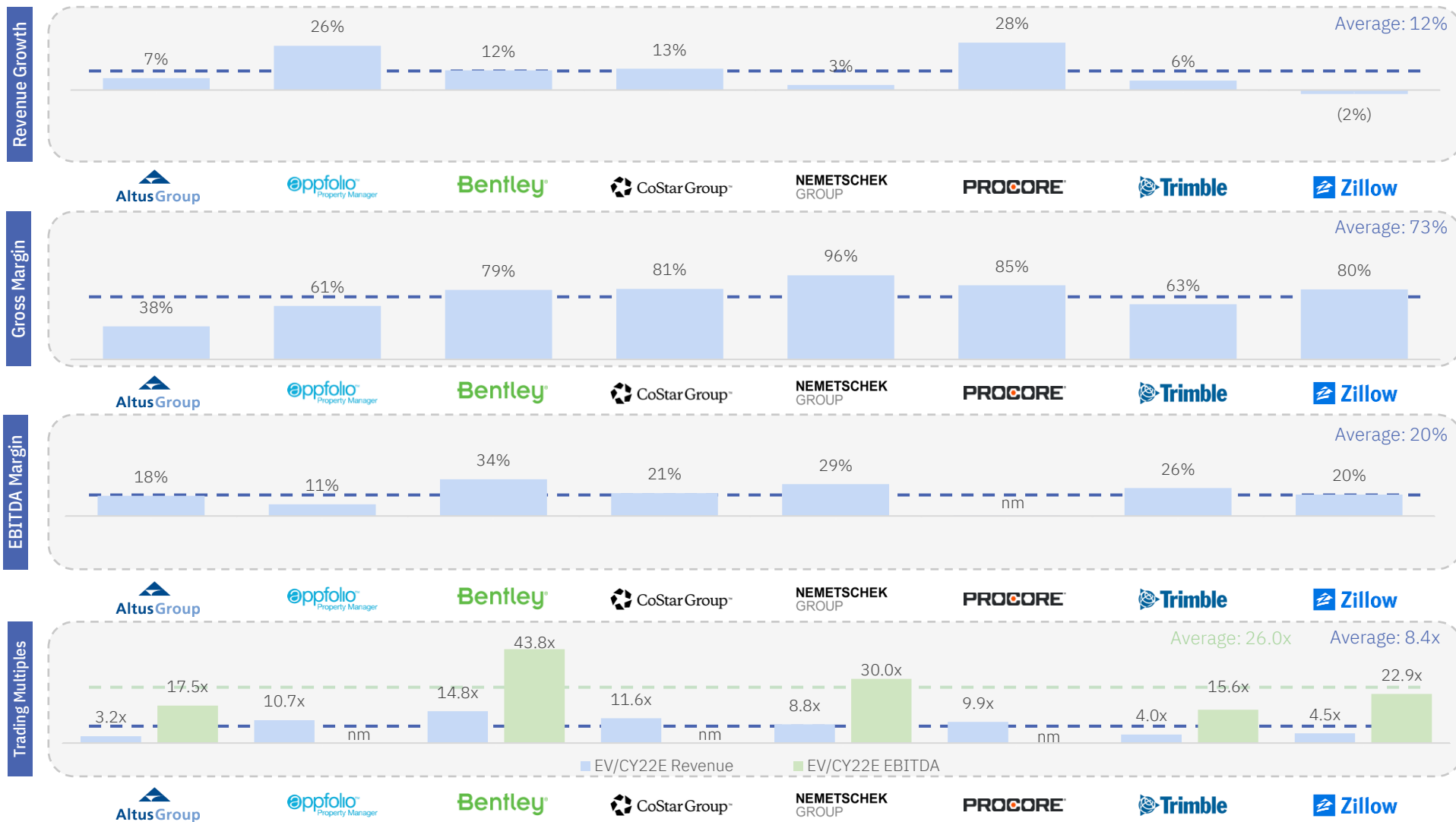
Public Real Estate Software vs. Enterprise Software EV/Revenue Multiples



Public Markets continued

Despite the current down market, public real estate software vendors are still maintaining a strong core financial profile

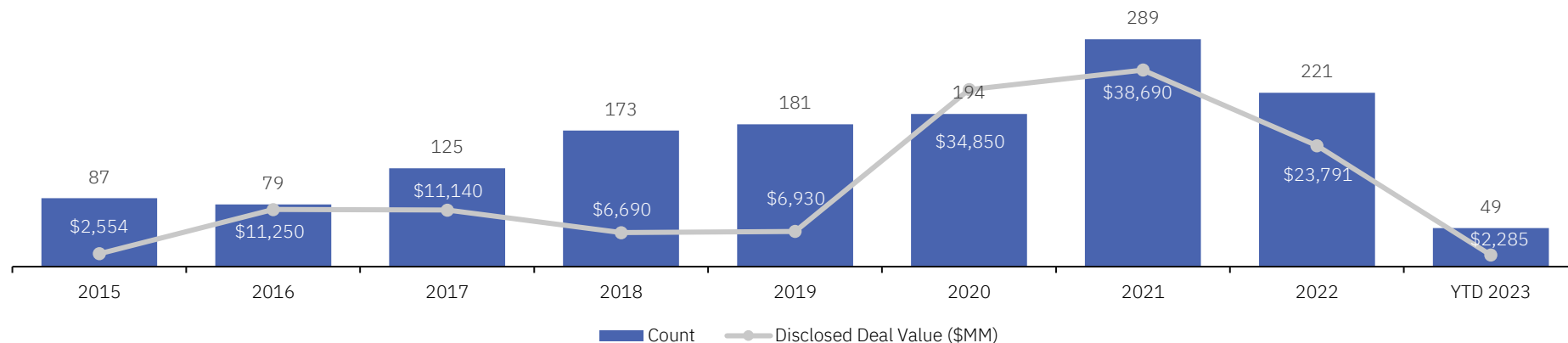
Representative Public Real Estate Software Vendors (CY2023E)



Real Estate Software M&A Activity

Real estate software M&A hit record deal flow in 2021, followed by a cooling of market activity in 2022 and 2023 due to high interest rate environments – there is strong optimism heading into 2024 as macroeconomic conditions improve and interest rates stabilize

Real Estate Software M&A (\$ millions)



Acquirer	Target	Date	EV	EV / LTM Rev	EV / LTM EBITDA
nuvolo	TRANE TECHNOLOGIES	10/02/23	n/a	n/a	n/a
Kiona	CAREL	07/24/23	\$232	11.1x	n/a
fm:systems	Johnson Controls	07/17/23	\$455	8.9x	37.9x
Lessen	sms assist	01/12/23	\$950	n/a	n/a
SIEMENS	Brightly	06/27/22	\$1,575	n/a	n/a
ICE	BLACK KNIGHT	05/04/22	\$13,107	10.8x	23.4x
BLACK KNIGHT	optimalblue	02/15/22	\$1,156 ^[1]	7.1x	n/a
ncino	SIMPLENEXUS	10/21/21	\$1,197	28.8x	n/a
JLL	Building Engines	07/12/21	\$300	n/a	n/a

Acquirer	Target	Date	EV	EV / LTM Rev	EV / LTM EBITDA
FORTIVE	ServiceChannel	02/04/21	\$1,200	9.6x	nm
INSIGHT PARTNERS STONE POINT CAPITAL	CoreLogic	12/21/20	\$5,920	3.2x	17.3x
THOMABRAVO	REALPAGE	11/22/20	\$10,433	9.4x	nm
ICE	EllieMae	07/31/20	\$11,000	12.2x	23.4x
PROPTech ACQUISITION	Porch	07/27/20	\$523	9.2x	n/a
BLACK KNIGHT	optimalblue	11/06/19	\$1,800	n/a	38.7x
REALPAGE	Buildium	11/06/19	\$580	11.6x	n/a
CoStar Group	str	10/01/19	\$450	7.0x	28.1x
THOMABRAVO	EllieMae	02/12/19	\$3,566	7.5x	n/a

Sources: Pitchbook, S&P Capital IQ, The 451 Group

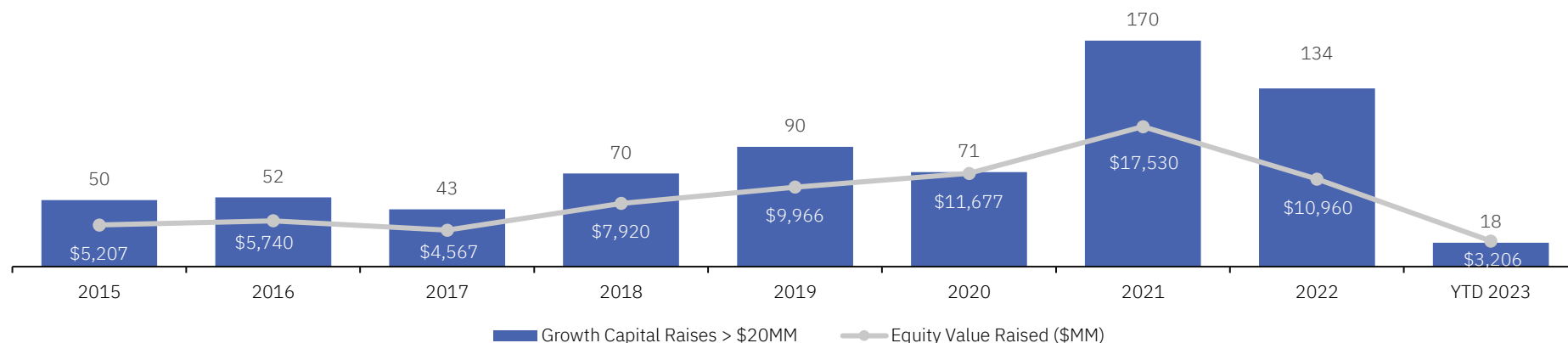
Note: EV / Revenue multiples greater than 20x and EV / EBITDA multiples greater than 50x are considered to be not meaningful

[1] Denotes transaction value

Real Estate Software Capital Raise Activity

The private capital market for real estate software waned beginning in 2022, driven by market uncertainty and higher interest rates; however, top-tier assets within the market landscape continue to raise capital at healthy premiums to fuel platform growth

Real Estate Software Capital Raise Value (\$ millions)



Company	Select Investor(s)	Date	Amt. Invested	Funding to Date	Latest Valuation
HqO	INSIGHT PARTNERS KOCH INVESTMENTS GROUP	10/18/23	\$50	\$157	\$560
harri	ATALAYA GOLUB growth	10/10/23	\$43	\$96	n/a
EliseAI	Point 72 KOCH INVESTMENTS GROUP	06/07/23	\$35	\$82	\$285
Hostaway	PSG PROVIDENCE STRATEGIC GROWTH	05/31/23	\$175	\$178	n/a
MEWS	KINNEVIK	12/14/22	\$185	\$227	\$865
VTS	CBRE	08/24/22	\$125	\$465	\$1,580
Guesty	Apax SIXTH STREET	08/04/22	\$170	\$279	n/a
Fexa	Mainsail Partners	07/28/22	\$40	\$40	n/a
deepki	ONE PEAK PARTNERS	03/31/22	\$165	\$176	n/a

Company	Select Investor(s)	Date	Amt. Invested	Funding to Date	Latest Valuation
goodlord	Columbia Partners EVERETT CAPITAL LATITUDE OXX	03/30/22	£27	\$75	n/a
SNAPPT	INSIGHT PARTNERS REACTIVE	03/15/22	\$100	\$102	\$250
facilio	Accel Brookfield DRAGONEER TIGERGLOBAL	02/22/22	\$35	\$46	\$171
FUNNEL	CMG CANEX MORGAN STANLEY RETV. J.P. Morgan	02/22/22	\$37	\$67	\$112
evolve	Durable CAPITAL PARTNERS	02/14/22	\$100	\$233	\$700
NORTHSPYRE	erv	02/11/22	\$25	\$33	\$120
POLLY	MENLO VENTURES	01/26/22	\$37	\$57	\$257
roofstock	SoftBank Investment Advisors	01/14/22	\$240	\$515	\$1,900
Envoy	ANUNASSIA PARTNERS INITIALIZED MENLO VENTURES	01/11/22	\$111	\$206	\$1,400

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