

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 visible over it.

Real Estate Software Market Map

Fall 2024

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

\$50Bn+

Advised aggregate deal value

20+

Average years of experience amongst our senior bankers

155+

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.

 <p>has agreed to be acquired by</p> 	 <p>has received an investment from</p> 	 <p>have been acquired by</p> 	 <p>has received a strategic investment from</p> 	 <p>has received an investment from</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 
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We Know PropTech Software...

PropTech is a core competency for our firm, where we have been among the most active advisors, completing transactions across construction technology, 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



has agreed to be acquired by



has received an equity investment from



have been acquired by



has been acquired by



has received an investment from



has received a strategic investment from



has received an investment from



has acquired



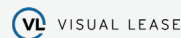
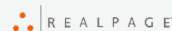
has acquired



has been acquired by



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

Strategic	Private Equity
AltusGroup	CoStar
FORTIVE	mri
REALPAGE	Trimble
YARDI	Zillow
	ABRY PARTNERS
	FP FRANCISCO PARTNERS
	INSIGHT PARTNERS
	MARLIN EQUITY PARTNERS
	Great Hill PARTNERS
	TA ASSOCIATES
	THOMABRAVO
	TPG

Recent Notable Transactions

Aareon	\$4.2Bn	TPG
CINC Systems	n/a	Hg
Follow Up Boss	\$400MM	Zillow
nuvolo	n/a	TRANE TECHNOLOGIES
Kiona	\$232MM	CAREL
fm:systems	\$608MM	Johnson Controls
sms assist	\$950M	Lessen

Private Capital Raising

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

Prominent Investors

Accel	BainCapital VENTURES	Bessemer Venture Partners
FORGEPOINT CAPITAL	KLEINER PERKINS	Lightspeed
NAVITAS CAPITAL	NEA	NORWEST VENTURE PARTNERS
SEQUOIA	TRINITY VENTURES	VALOR EQUITY PARTNERS

Recent Notable Fundings

kin.	\$152MM Series D
stayntouch	\$48MM Series E
MaintainX	\$50MM Series C
FUNNEL	\$32MM Series B
HqO	\$50MM Series D
harri	\$43MM PE Growth
EasyKnock	\$38MM Series D

Public Markets

Public market activity has had a solid run in 2024 – public valuations have been steadily increasing throughout the year

Recent Take-Privates

REALPAGE	CoreLogic
acquired by THOMABRAVO	acquired by STONE POINT CAPITAL
Dec 2020	Feb 2021
\$10.2Bn	\$6.2Bn
EV/Rev: 9.4x	EV/Rev: 3.2x

PropTech Public Strategies (YTD Price % Δ)

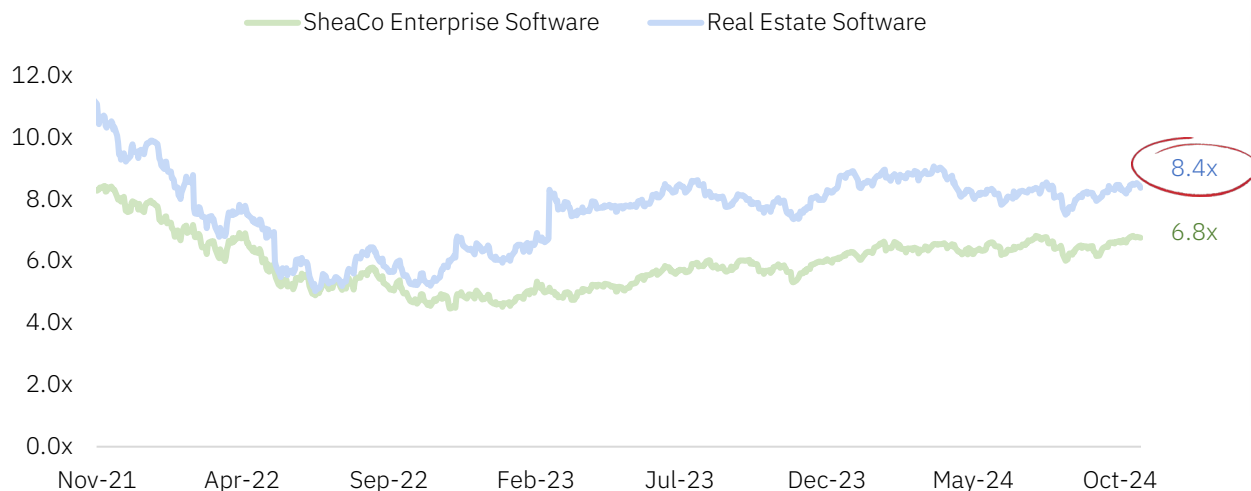
AltusGroup	appfolio
30%	17%
Bentley	CoStarGroup
1%	(10%)
NEMETSCHEK GROUP	PROCORE
34%	(7%)
Trimble	Zillow
15%	4%

Note: YTD is as of 10/21/24

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

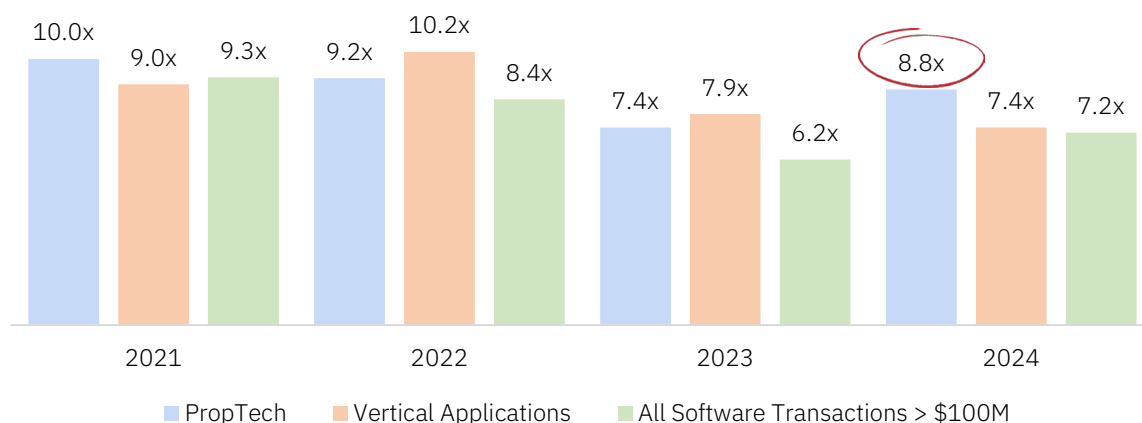
Publicly Traded EV / Revenue Multiples (2021 – 2024)



PropTech Public Market Trends

- In Q3 2022, the revenue multiple spread between PropTech and broader Enterprise Software widened
- That spread has largely remained as publicly traded PropTech companies trade at a ~2x Revenue premium relative to the cohort of broader Enterprise Software companies
- While multiples have contracted since the market peaks in 2021, PropTech has maintained its status as premium asset class that outperforms the broader market

M&A Trending EV / Current Year Revenue Multiples (2021 – 2024)



PropTech M&A Market Trends

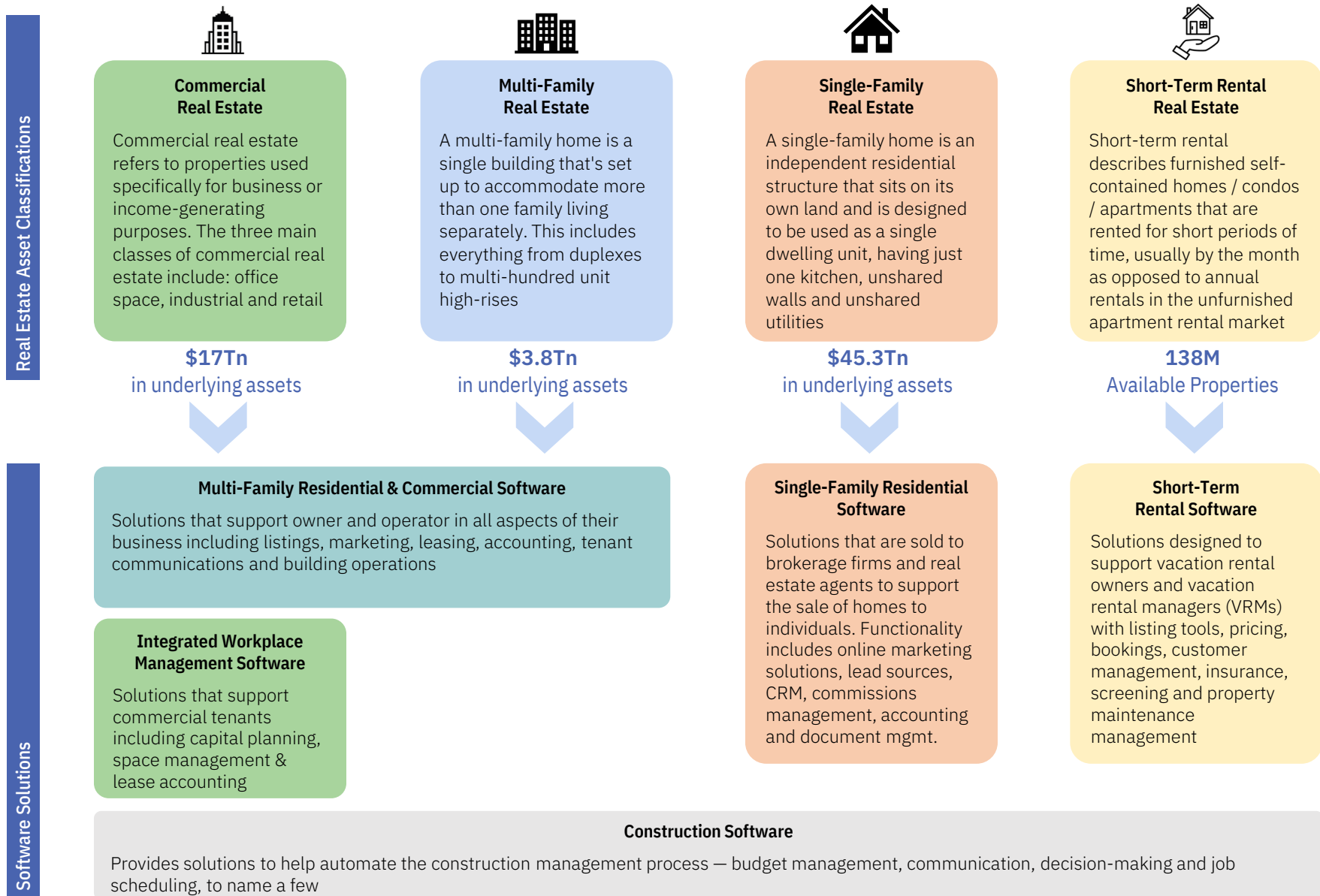
- Although multiples appear to remain rich today, the PropTech precedent transaction sample size is still smaller as only higher-quality assets have been able to transact in recent months
- In the last two years, PropTech has been outperforming broader Enterprise Software in the private markets
- Investors are attracted to PropTech due to the large underlying market and lack of historical 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

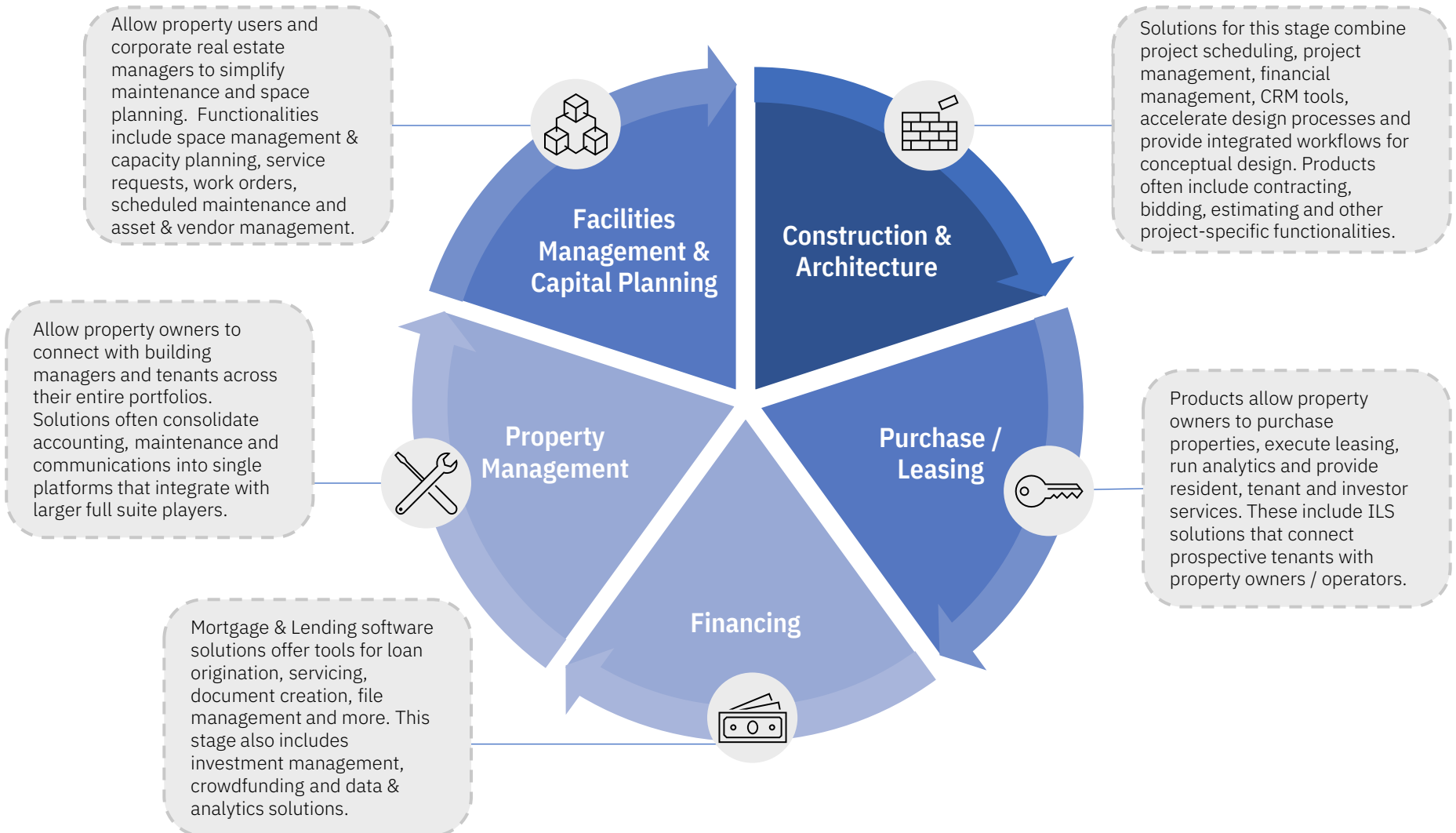
A wide variety of Real Estate software solutions exist, serving a number of underlying end markets and constituents – we segment the market into five core software solution sets: Multi-Family Residential & Commercial Rental, Single-Family Residential, Short-Term Rental, Integrated Workplace Management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



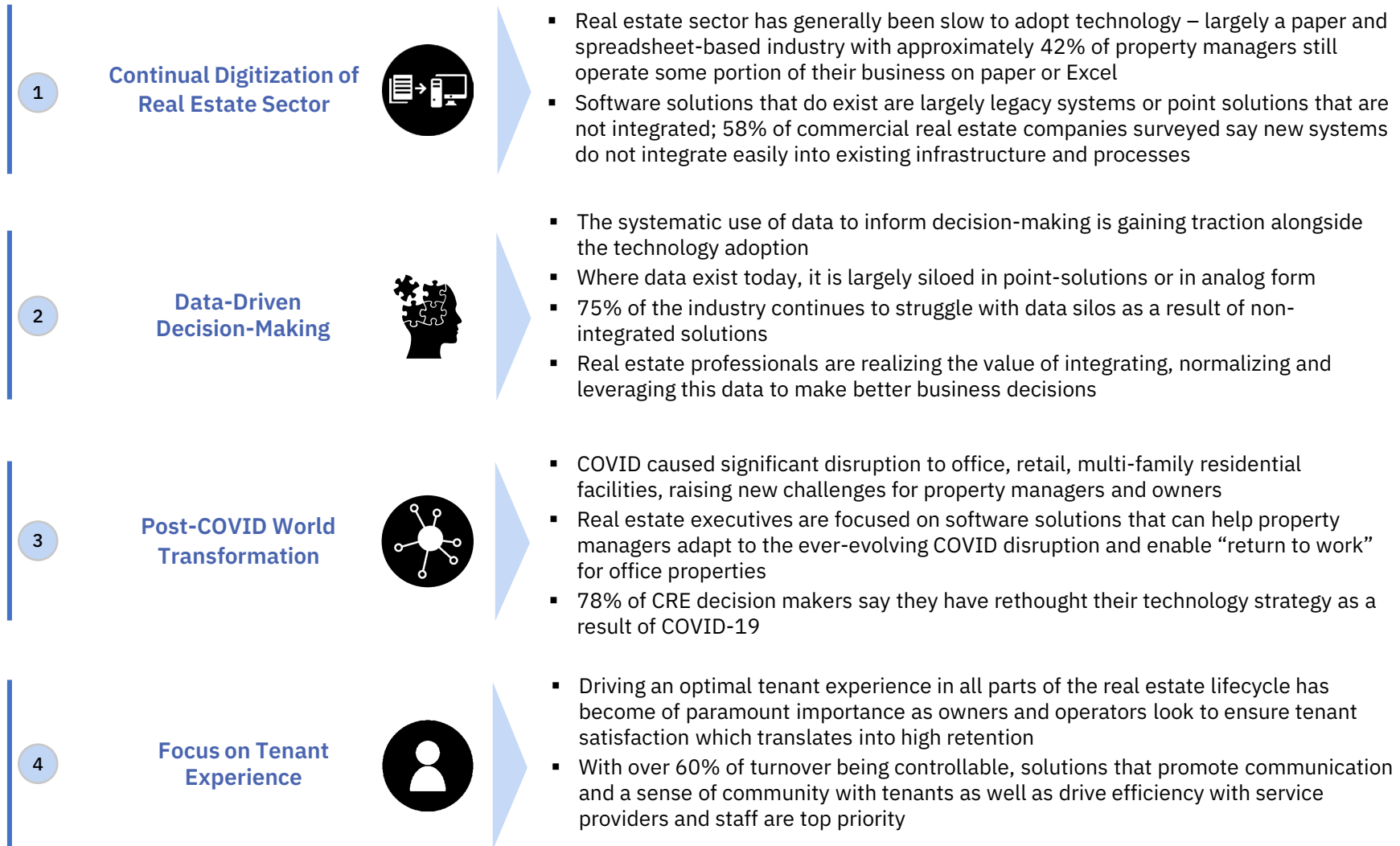
Building Lifecycle

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

COVID Effects

- 1 Desire to limit person-person contact & increase personal space
- 2 Employers want to work in person but are struggling to do so safely
- 3 Listing agents are unable to show properties and sign documents in person
- 4 Social distancing has further reduced visits to retailers
- 5 Reduced business & personal travel

Accelerated Shift to Technology

Participants have been forced to reevaluate how they do business – and the tools that they use – during COVID-19

Touchless Access Solutions

Commercial and multi-family buildings have adopted touchless security to avoid contact with readers, keycards and door handles

Digital Engagement

Owners and operators are relying on technology to automate and digitize previously in-person interaction, provide a safer environment and improve occupant experiences

New Office Configurations

Owners and operators are turning to IWMS solutions to reconfigure workspaces for increased distance between employees and “hoteling” which is seeing increasing adoption in hybrid work from home models

Virtual Reality

When in-person tours were not allowed during COVID-19, sellers and real estate agents turned to virtual reality to facilitate the home buying and renting process; which in person is returning, the efficiency of virtual showings will drive continued usage

Data & Analytics

As owners and operators adapt to an unprecedented environment, they are relying on data to understand and drive decision making without being on premise

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

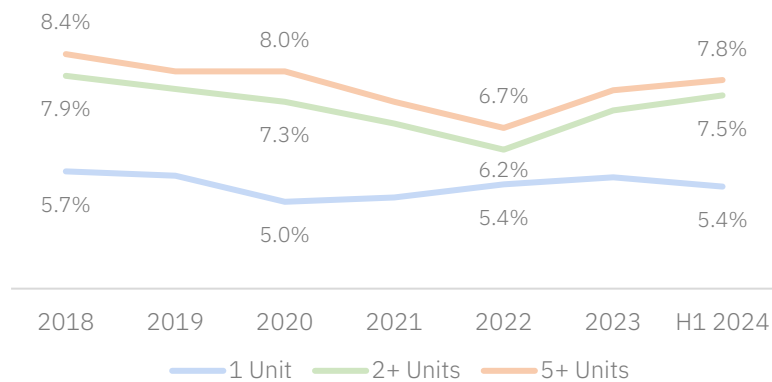
- The US rental market is seeing strong demand and high occupancy rates driven by:
 - Demographic changes that are leading to decreasing levels of homeownership in the US, including: Americans marrying later in life, decreasing family size and increasing divorce rate
 - Stabilizing unemployment rates 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

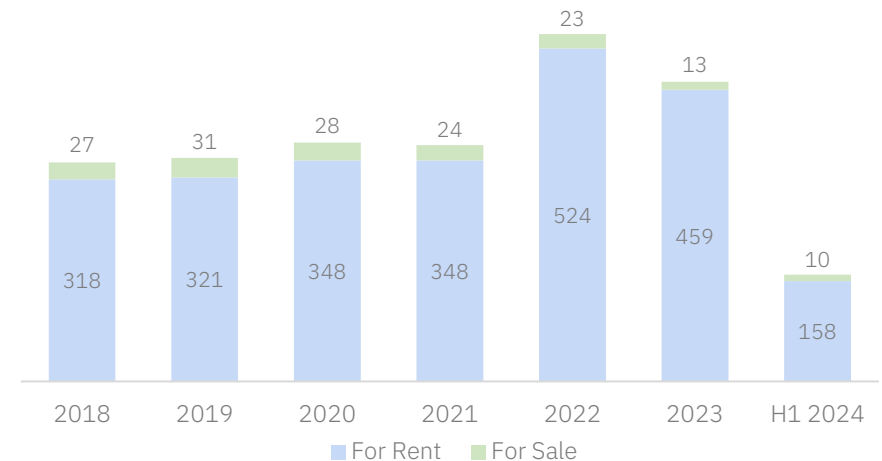
Rental Vacancy Rates by Unit Count

Rental vacancy rates have been declining for several, but we have seen a recent bucking of this trend in the past 24 months



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 2024+ market trend

Commercial Real Estate Market Tightening in Recent Quarters

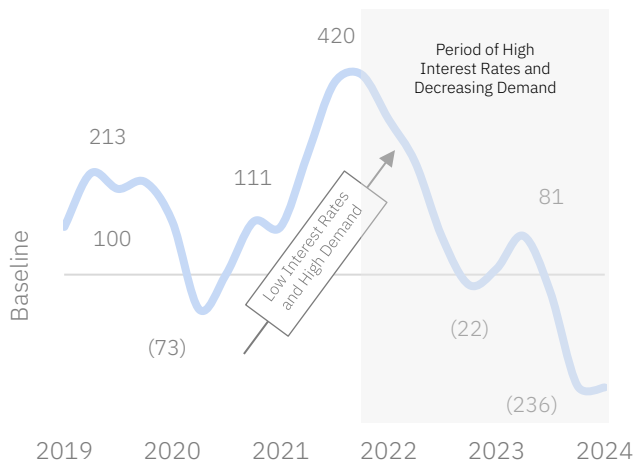
- The regional banking crisis of early 2023 coupled with the rising interest rate environment has increased the economic uncertainty of the Commercial Real Estate Market
 - Regional banks with \$10-160 billion in assets hold 14% of all outstanding CRE debt. Given that the size of CRE assets in the U.S. 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

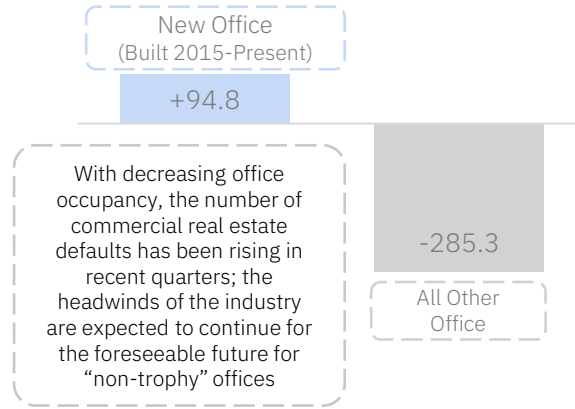
Commercial Real Estate Property Index

The U.S. CRE Index^[1] has been predominately driven by the interest rate environment



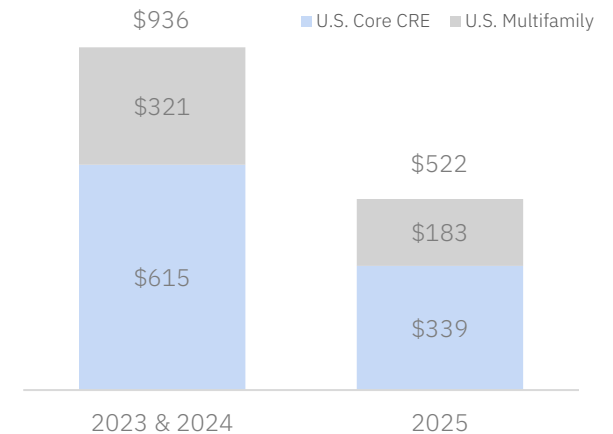
Office Net Absorption Since 2020 (SF, millions)

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

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

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

Investment & Deal Management

Portfolio management from property valuation to benchmarking and analysis

Utility Billing

Billing and information management for electricity, gas and water

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

Property Management Suites

appfolio
MEWS

apsiyon
mri
REAL ESTATE SOFTWARE

BuildingLink
REALPAGE

buildout
Rent Manager

entrata
VTS

HAPPYGO
YARDI

inhabit.
YAVICA

Back Office

Leasing

BETTERNOI
POWER PRO
Leasing Elevated

ENGRain
PropertyVista

goodlord
Prophia

LAVANDA
Re-Leased

LeasePilot
RENTREC DIRECT

OCCUPIER
VISUAL LEASE

Accounting and Payments

avidxchange

flex.

Masonry.

Matera

Netintegrity

Proper

PROPERTY
MATRIX

property me

REMOTE LANDLORD
PROPERTY MANAGEMENT SYSTEMS

rentredi

Screening

bowery
RENT
READY

bluemoon
SOFTWARE
ShowMojo

FUNNEL
SNAPPT

Homepl
Tenant Cloud

ManageRent
turbotenant

Compliance & Training

Grace Hill

SMART COMPLIANCE

Utility Billing

CONSERVISE
The Utility Experts

ManageAmerica
Online Property Management Systems

stornik

Investment & Deal Management

AGORA

ALTRIO

Archipelago

ATLASX

Canopy
ANALYTICS

coyote

DEALIUS

DEALPATH

Dynamo
SOFTWARE

Juniper Square

MOUNTAINSEED

RealNex
The Technology Behind the Deal

simpli

ROCKPORT

SS&C

Vontive

Data & Analytics

ACES
QUALITY MANAGEMENT

Ahauz

Altisource

ATTOM

Better

calyx
performance solutions

cherre

COMPSTAK

CoreLogic

CoStar Group

CREtelligent
Commercial Real Estate Intelligence

FINASTRA

Green Street

HOMESTORY.

LandTech

LendingPad
Lead Better. Together.

Lev

LIGHTBOX

loanDepot

LOCAL LOGIC

MAPPED

meridianlink

NAVIGATOR

PinPoint

Placer.ai

PriceHubble

PRODA

Real Estate
Business Analytics

ROCKET Mortgage

SoFi

stonal

TOMO

unacast.

VALCRE

Zonda

Zoneomics

Multifamily & Commercial Software Market Landscape continued

Property Management Software

Property Management Suites

appfolio
MEWS

apsiyon
mri
REAL ESTATE SOFTWARE

BuildingLink
REALPAGE

buildout
Rent Manager

entrata
VTS

HAPPYGO
YARDI

inhabit.
YAVICA

CRM

365 CONNECT

apimo

APTLY

BETTERNOI

betterbot

DOMAIN 6
DIGITIZING YOUR BUSINESS

ELDERMARK
SENIOR HOUSING SOFTWARE

EliseAI

Hemlane

idwell
finance

LeaseHawk

RealNex
The Real Estate CRM

SyndicationPro

Lead Generation & Marketing

BETTERNOI

LCP
MEDIA

LeaseHawk

oda
studio

peek

PropertyVista

REACHLOCAL

realync

Rental Beast

rentgrata

repli

Respage

remarkably

senso

ShowMojo

SOCI

SPHEREXX
REAL ESTATE SOLUTIONS

Internet Listing Services

Apartment List

BREVITAS

CASAFARI

CollegePads

REDFIN

Terrascope

Zillow

Tenant Experience

Alfred

Cobu

EQUIEM

HqO

JETTY

LeaseLock

livly

myhomepayge

notifii

opinion

REZEDENT

RoomChoice

SmartRent

SPACEFLOW

StarRez

updater

Access Control

brivo

ButterflyMX

genea

iApartments

KERI
SYSTEMS

LATCH

HOA Management

BuildingLink

CINC
systems

CONDO CONTROL
PROPERTY MANAGEMENT MADE SIMPLE

ENUMERATE

rexera
formerly inspect101

Vantaca

Maintenance

Fyxt

kodelabs

Landportx

Latchel

LEONARDO

Limble CMMS

MaintainX

Plentific

property

PROPERTYMELD

sorbet

Building Operations

AuditMate

buildings IOT

enertiv

impak
FACILITY MANAGEMENT SYSTEM

INFRASPEAK

PassiveLogic

RENT
READY

runwise

Virtual Facility

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

Multifamily & Commercial Notable Transactions

M&A

	November 2023	December 2023	June 2024	July 2024	October 2024
Target	 Follow Up Boss	 CINC Systems	 Aareon	 LeaseAccelerator	 VISUAL LEASE
Acquirer	 Zillow	 Hg	 CDPQ TPG	 insightsoftware	 CoStar Group™
Enterprise Value	\$400MM	n/a	\$4.2Bn	n/a	n/a
Target Summary	AI based lead management and CRM platform for the real estate industry	Cloud-based community association management software empowering growth	ERP software promoting efficiency and transparency for commercial and residential clients	Global lease lifecycle automation for improving cash flow and simplifying compliance	Lease accounting solutions that help manage real estate and equipment assets

Capital Raises

	May 2024	July 2024	August 2024	September 2024
Target	 AGORA OUR VISION. YOUR ASSETS	 Placer.ai	 Elise AI	 cherre
Investors	 INSIGHT PARTNERS QUMRA CAPITAL	 GEM Realty Capital	 SAPPHIRE VENTURES	 HIGHSAGE VENTURES
Round / Amount Raised	Series B / \$34MM	PE Growth / \$55MM	Series D / \$75MM	Series C / \$30MM
Target Summary	Conversational AI for potential and current renters of single-family & multi-family buildings	Location analytics platform providing real-time insights into consumer behavior and foot traffic patterns	Elise AI is a conversational artificial intelligence platform intended to enable a new level of business automation	Real estate data management and intelligence platform that enables clients to optimize strategic decision making

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

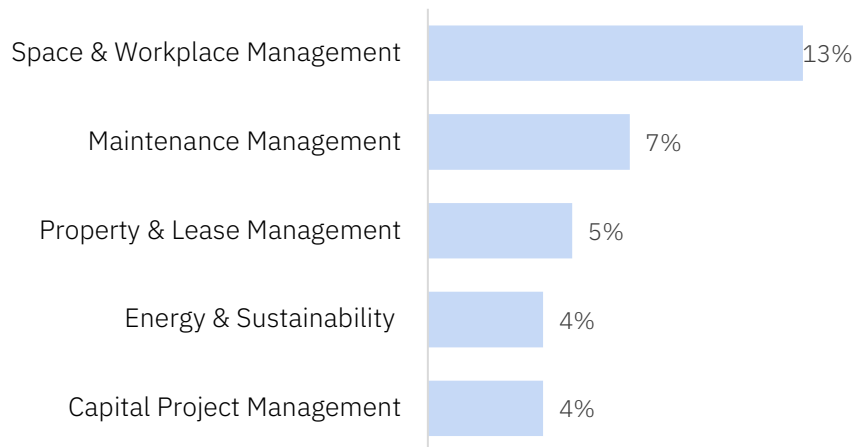
The IWMS market is forecasted to grow at a 11% CAGR from 2022A – 2027E driven largely by the need for space & workplace management solutions in the post-COVID environment

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

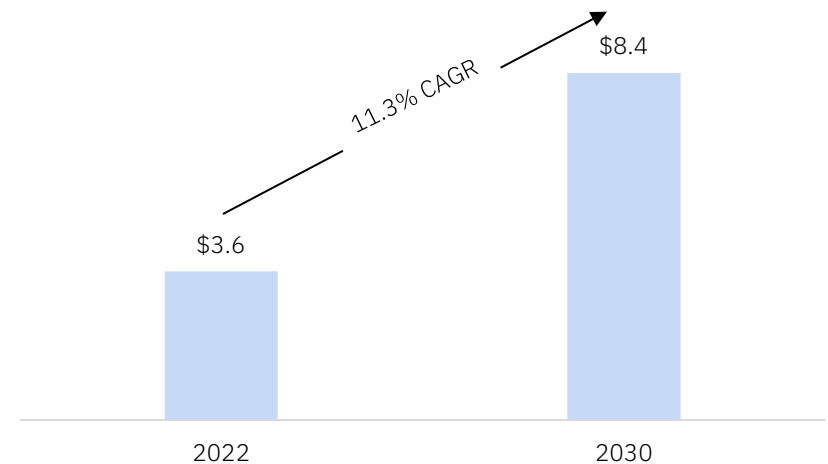
2019 – 2024 CAGRs For IWMS Spending by Functionality

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



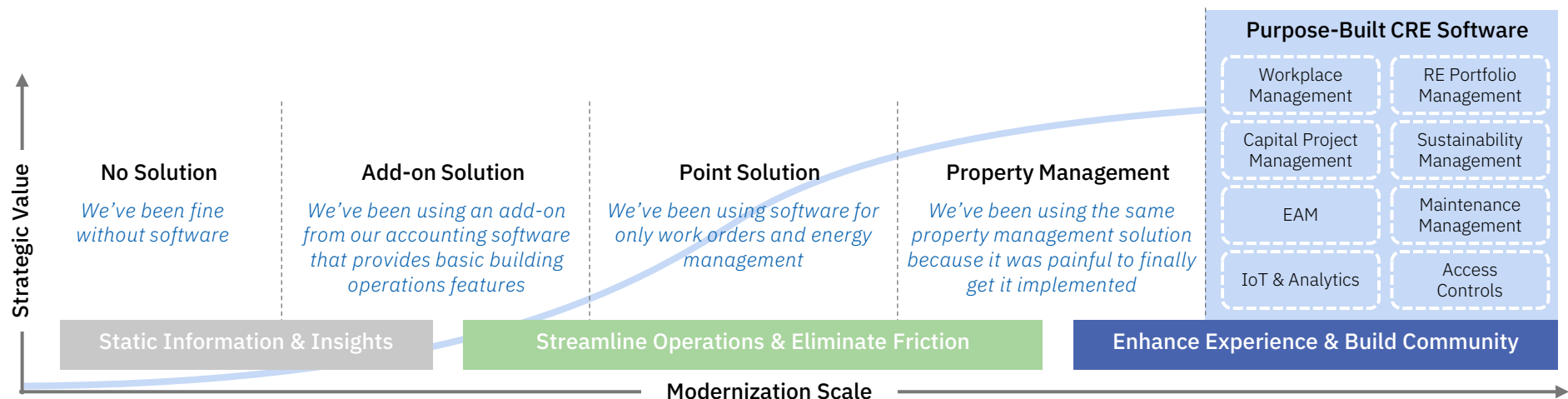
- **Compatible Solutions Supporting Hybrid Workforce:** As workforces become increasingly distributed and mobile, organizations will be forced to adopt mobile-powered cloud-based solutions that have complete interoperability on the field, in the office, and outside the workplace



- **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



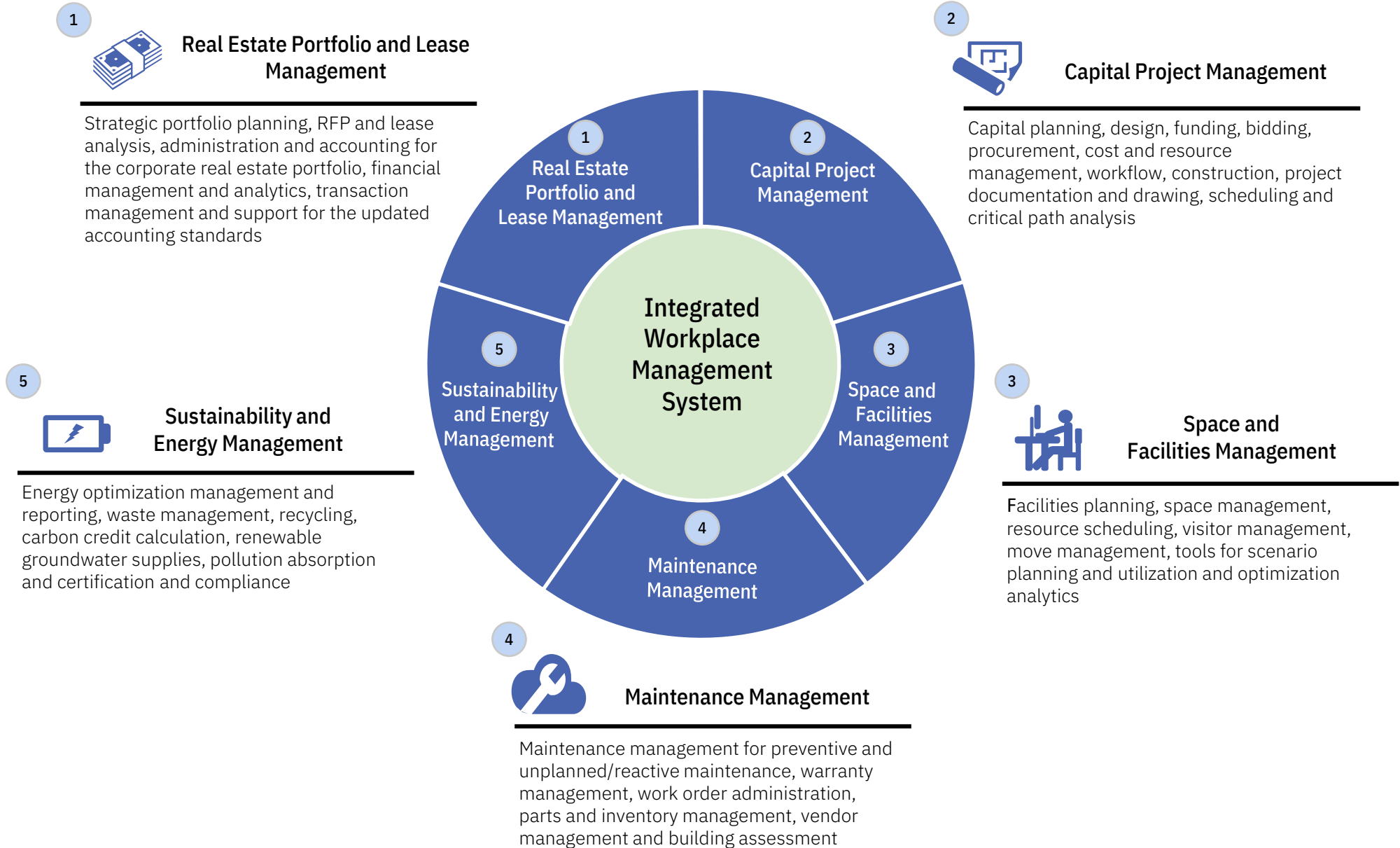
IWMS Trends

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



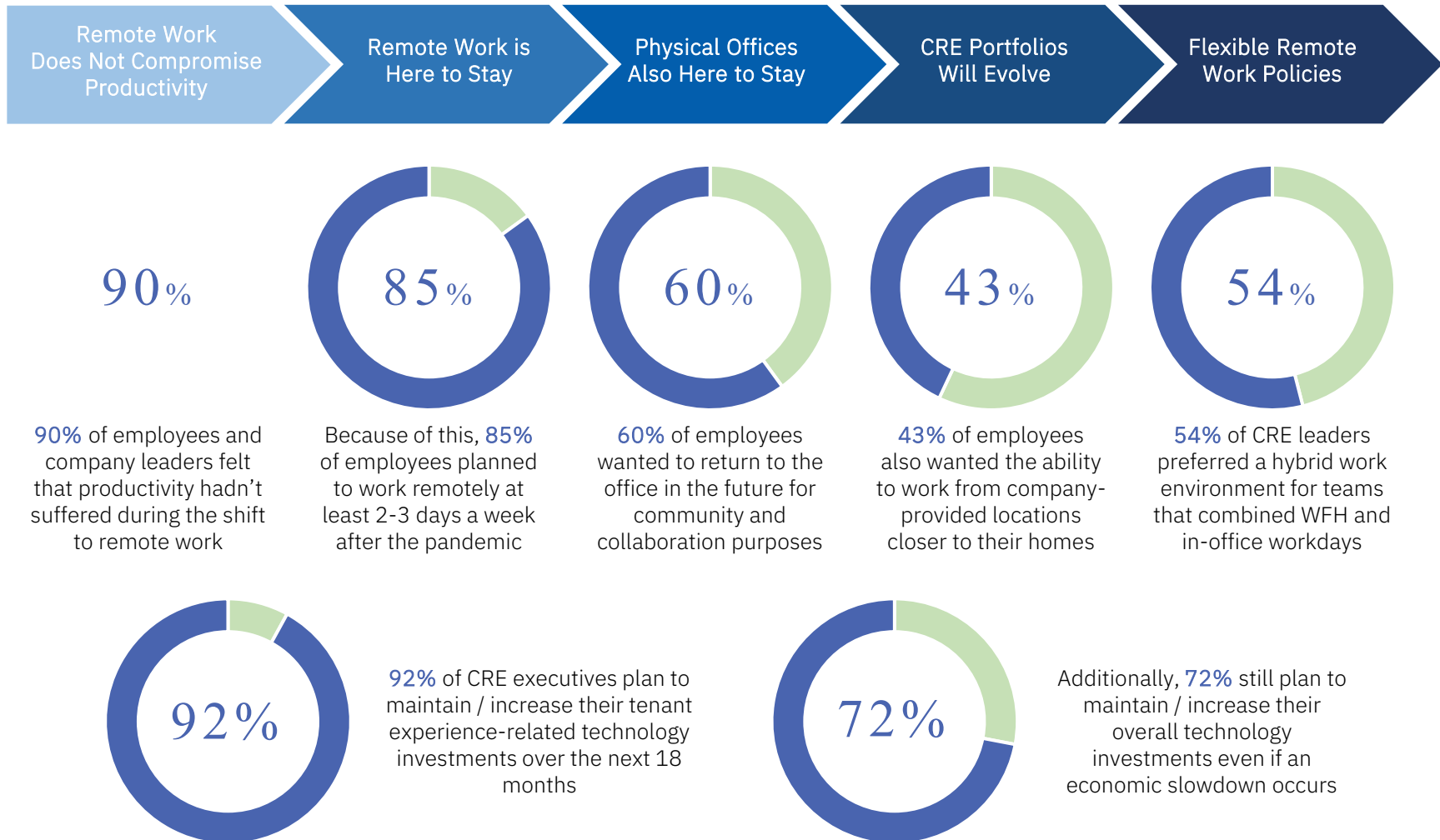
Core IWMS Functions

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

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

Maintenance Management

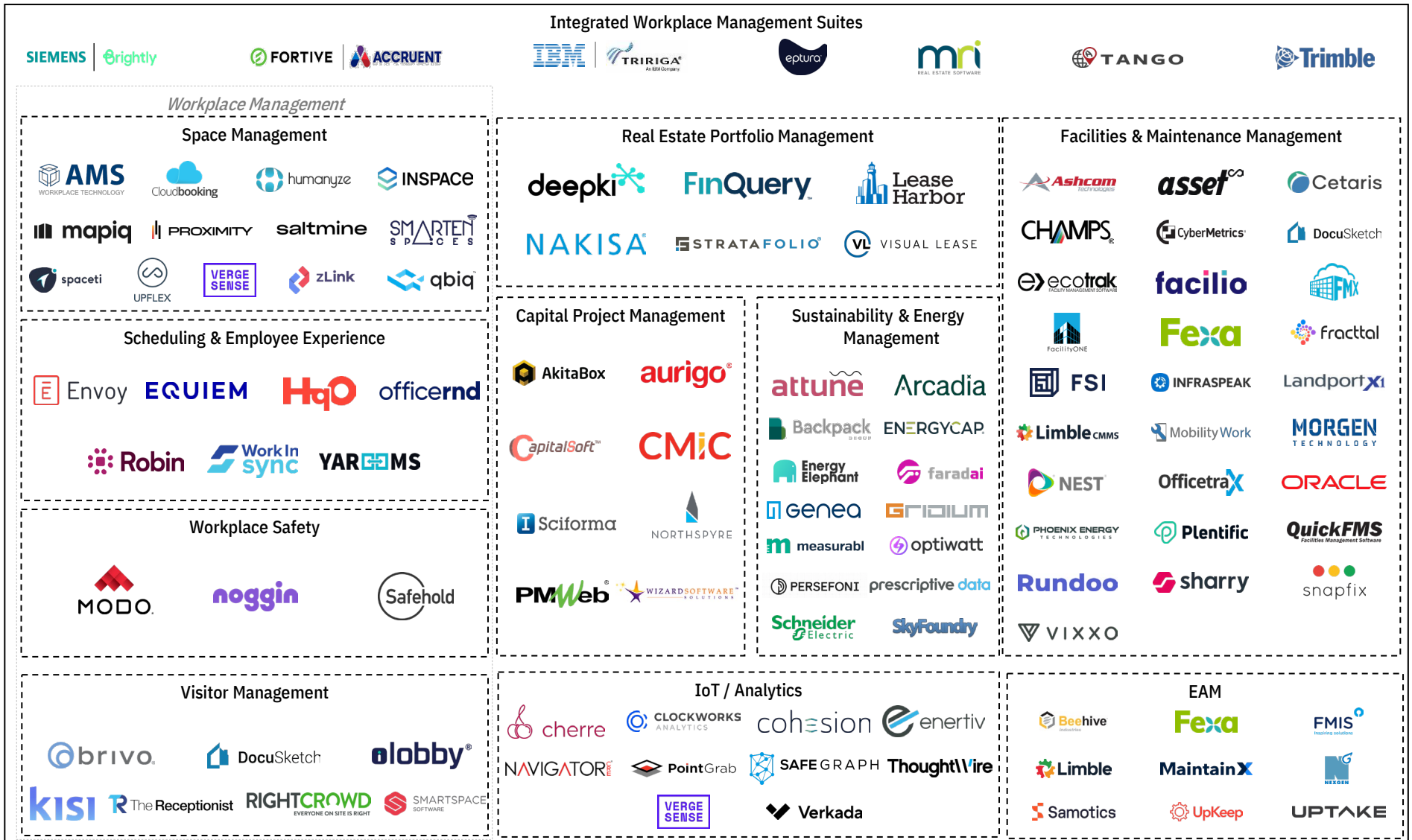
Includes maintenance management for preventive and unplanned/reactive maintenance and warranty management, work order administration, parts and inventory management, vendor management, and building assessment

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

Integrated Workplace Management Market Landscape

Integrated Workplace Management Software



IWMS Notable Transactions

M&A

	August 2022	January 2023	July 2023	November 2023	September 2024
Target					
Acquirer					
Enterprise Value	\$1.6Bn	\$950MM	\$455MM	n/a	n/a
Target Summary	Brightly provides operations management software for manufacturing organizations	SMS Assist provides a full-service facility management platform and connects owners with providers	FM:Systems operates a workspace management software intended for facilities and real estate buildings	Nuvolo provides a connected workplace platform that optimizes facilities, staff and assets	PMWeb develops construction program management for the plan, build and operate lifecycle

Capital Raises

	May 2023	June 2023	December 2023	April 2024	April 2024
Target					 Formerly LeaseQuery
Investors					
Round / Amount Raised	Series D / \$93MM	Series C / \$16MM	Series C / \$50MM	PE Growth / \$50MM	PE Growth / \$25MM
Target Summary	Data management platform for ESG and sustainability performance reporting	Fault detection and diagnostics platform delivering persistent energy savings	Work order and procedure digitalization platform for reporting, auditing and inspecting	Data and billing integrations across utilities, facilitating easy access to clean energy	Lease accounting and management designed to automate accounting tasks

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

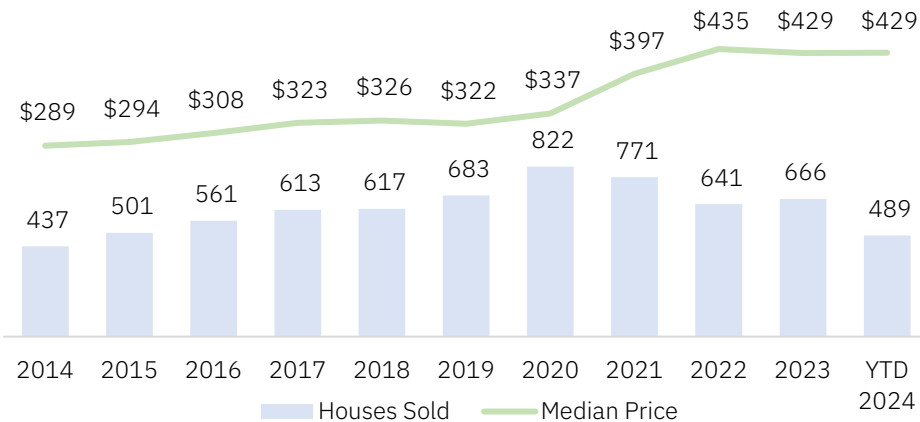
Single-Family Residential Market Overview

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.

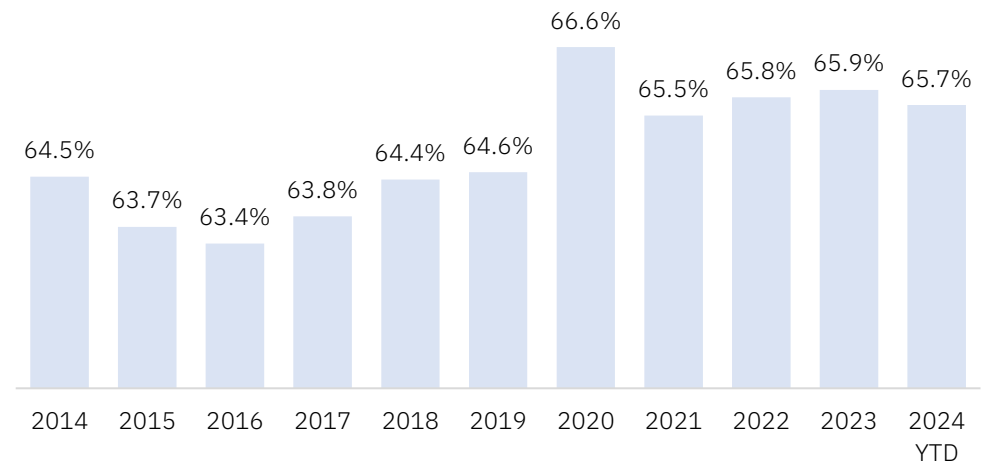
Single-Family Market Trends

- New home sales peaked at 882K in 2020, slightly decreasing to 771K in 2021
 - The median price of homes has also been steadily increasing, reaching \$435K in 2022, up from \$289K in 2014
 - The homeownership rate has also rebounded since dropping to a low of 63.4% in 2016, reaching 66.6% in 2020 – however this is still 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 Q2 2024)



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 cite 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

Single Family Management Suites

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

PMS

Platforms that streamline the management of residential properties through automation and digital tools

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

Brokerage & Agent Matching

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

Back Office

Transaction Management & Accounting & Screening

Form creation, e-sign and various other documentation and tracking solutions for management of the transaction process and accounting solutions including brokerage / real estate focused functionalities such as commission splits and disbursements

Property Maintenance

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

Residential Leasing

Rental process for both landlords and tenants by offering a comprehensive digital solution for property listings, applications, lease signing and communication

Rent Payments

Platform that automates the collection and management of tenant payments through digital platforms

Title & Closing

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

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

ILS & Property Showing

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

Single-Family Residential Software Market Landscape

Single-Family Residential Software

Single Family Management Suites

appfolio

CoStar™

ICE Mortgage Technology™

inside real estate

LONEWOLF TECHNOLOGIES

Moxi Works

YARDI

Zillow

PMS

CASTLE

doorloop

Hemlane

home365

innago

LandlordStudio

ManageCasa

Rent Manager™

RENTec DIRECT

rentredi

rentvine

TenantCloud

Property Maintenance

amenify Dispatch Dwellwell evolve

Fergus HOMEX Housecall Pro JOBBER

KEEPE Latchel LESSEN Lula

rentler ServiceTitan SIMPRO TRADIFY

WORKIZ WORKWAVE

Residential Leasing

domuso

Flip

goodlord

HOMEF

NOBROKER

OpenRent

Poplar

Rentberry

Tenant Turner

Back Office

Transaction Management & Accounting & Screening

avail

docunite

DocuSign®

DocuVerus

erenter®

First Advantage

FreshBooks

happywait

LISTING 2 LEASING

aperless Pipeline

Realtyapx

rentler®

Shaker

tenantAlert!

turbotenant

Rent Payments

365 CONNECT

avidxchange®

SUSU

letUS

PayRent

Qira

RENTec DIRECT

rentler

Tenant Cloud

Title & Closing

Qualia

snapdocs

TITLECAPTURE®

Insurance

BRANCH

hippo

JETTY

kin.

Lemonade

Rhino

SURE

Verisk™

Single-Family Residential Software Market Landscape continued

Single-Family Residential Software

Single Family Management Suites



CRM & Lead Management & Marketing



Brokerage & Agent Matching



Mortgage Data



Lending



Data & Analytics



Crowdfunding











ILS & Property Showing
















Single-Family Software Notable Transactions

M&A

	February 2022	May 2022	May 2024	June 2024
Target	 ACTIVEPIPE	 BLACK KNIGHT	 MYND	 idealista
Acquirer	 Moxi Works	 ICE	 roofstock	 Cinven
Enterprise Value	\$115MM	\$13.1Bn	n/a	\$4.4Bn
Target Summary	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	Property management platform designed to ease property rental management services	Digital marketplace for buyers and sellers to access useful real-time property and real estate information

Capital Raises

	March 2022	May 2023	July 2023	January 2024	August 2024
Target	 IDEAMAKE	 avenue one	 EasyKnock	 kin.	 rentvine
Investors	 	 		 	
Round / Amount Raised	Series C / n/a	Series B / \$100MM	Series D / \$38MM	Series D / \$152MM	PE Growth / \$74MM
Target Summary	3D media platform designed to revolutionize marketing solutions for the property industry	Platform streamline and manage institutional investments into the single-family rental industry	Online brokerage firm converting equity to cash through sale-leasebacks	Insurance platform designed to provide simple, personalized and affordable home insurance	PMS streamlining communication and improving relationships between property managers and tenants

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

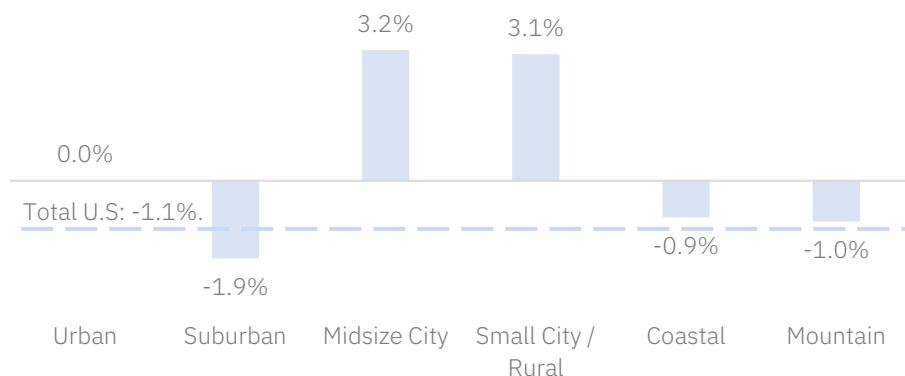
The short-term rental demand exceeded 2022 expectations and surpassed 2019 levels, signaling the end of recovery and the beginning of the next phase of expansion for the short-term rental industry in 2023 and beyond

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 increased, while ADR decreased, reflecting a slight pullback on the initial excitement following COVID-19 restriction easement

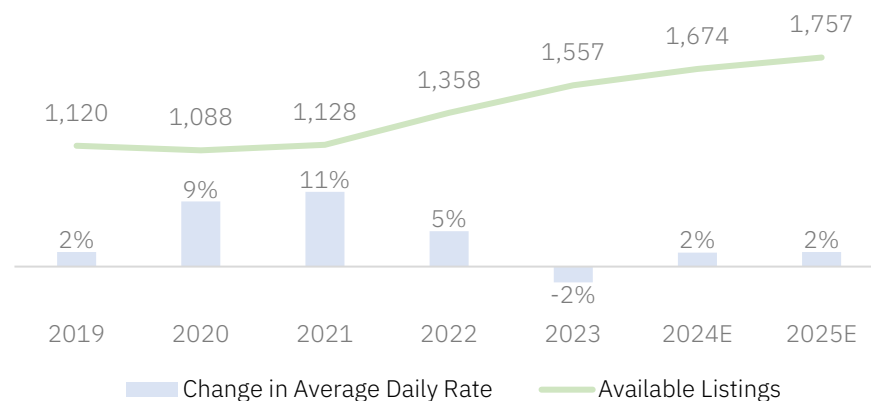
YoY Change in RevPAR (2022 – 2023E)

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



U.S. 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

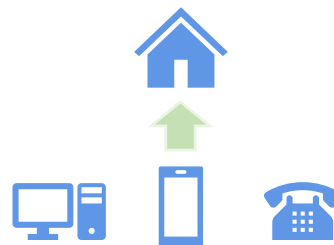
- Beginning in the 1950s, advertisements and listings for short-term vacation rentals began to appear in newspapers as an inexpensive alternative to hotels
- Before there was widespread use of the internet, the most common process to plan a vacation began with a call to a travel agent
- Travel agents 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

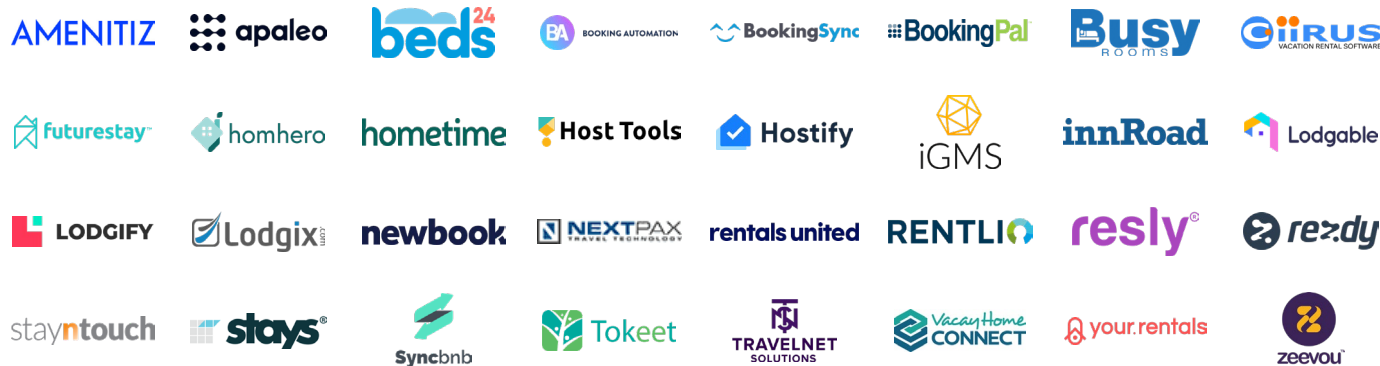
Online Travel Agency (OTAs)



Suite Solutions



Channel Management & PMS



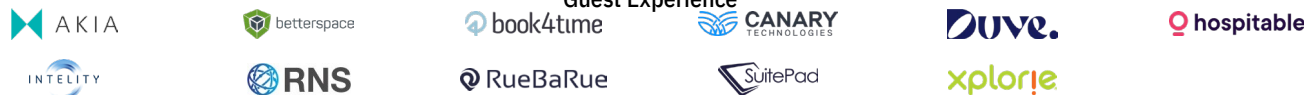
Housekeeping Software



Revenue Management and Payments



Guest Experience



Smart Home & Security



Protection Software



Data & Analytics




Marketing & SEO
















Short-Term Rental Software Notable Transactions

M&A

	April 2021	January 2022	March 2022	July 2022	May 2024
Target					
Acquirer					
Enterprise Value	n/a	n/a	n/a	n/a	n/a
Target Summary	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	Channel management platform for vacation rental properties

Capital Raises

	October 2023	December 2023	April 2024	June 2024	March 2024
Target					
Investors	  				 
Round / Amount Raised	PE Growth / \$43MM	Series E / \$48MM	Series F / \$130MM	Series C / \$50MM	Series C / \$109MM
Target Summary	Recruitment platform designed to help hospitality businesses build, manage and engage their teams	Hotel property management system managing touchpoints between hotel staff and guest	Property management software designed for short-term vacation rentals	Guest management platform modernizing workflows and driving better hotel guest experiences	Hotel management platform that facilitates online check-ins, payments, bookings and staff

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**

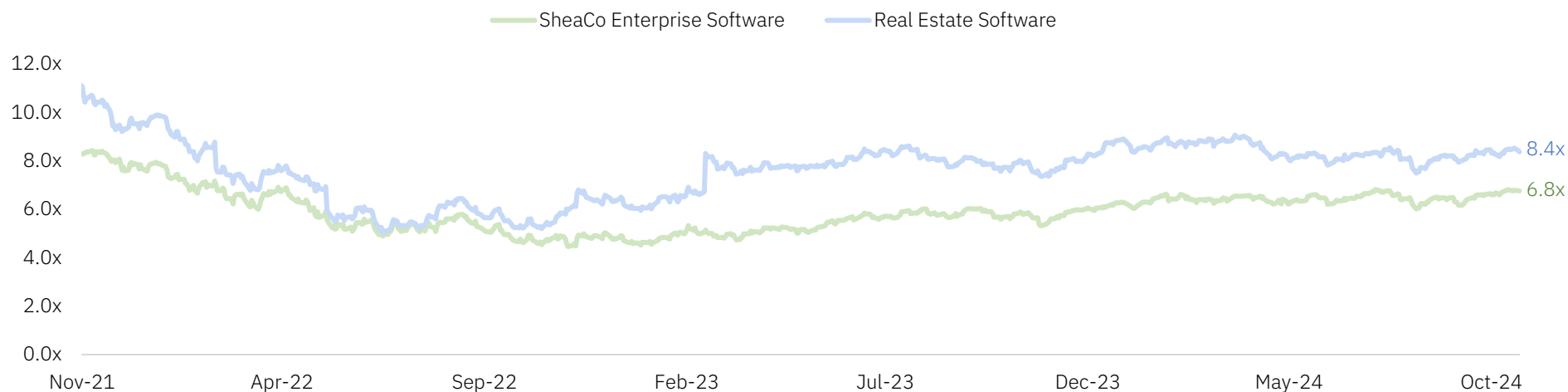
Public Markets

Some 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	\$1,794	\$7,276	\$15,705	\$31,703	\$12,552	\$9,304	\$14,840	\$14,440
Enterprise Value	\$2,013	\$7,038	\$17,028	\$27,882	\$12,319	\$8,598	\$15,798	\$13,618
LTM Price Performance	12%	12%	1%	6%	62%	1%	26%	63%
3-Year Price Performance	-18%	51%	-16%	-22%	3%	-37%	-30%	-35%
CY24E Revenue (EV Multiple)	\$413 (4.1x)	\$779 (9.0x)	\$1,361 (12.5x)	\$2,746 (10.2x)	\$1,049 (11.7x)	\$1,140 (7.5x)	\$3,628 (4.4x)	\$2,188 (6.2x)
CY24E EBITDA (EV Multiple)	\$86 (23.5x)	\$209 (33.6x)	\$482 (35.4x)	\$202 (nm)	\$314 (39.2x)	\$188 (45.7x)	\$963 (16.4x)	\$469 (29.0x)
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

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



Sources: 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

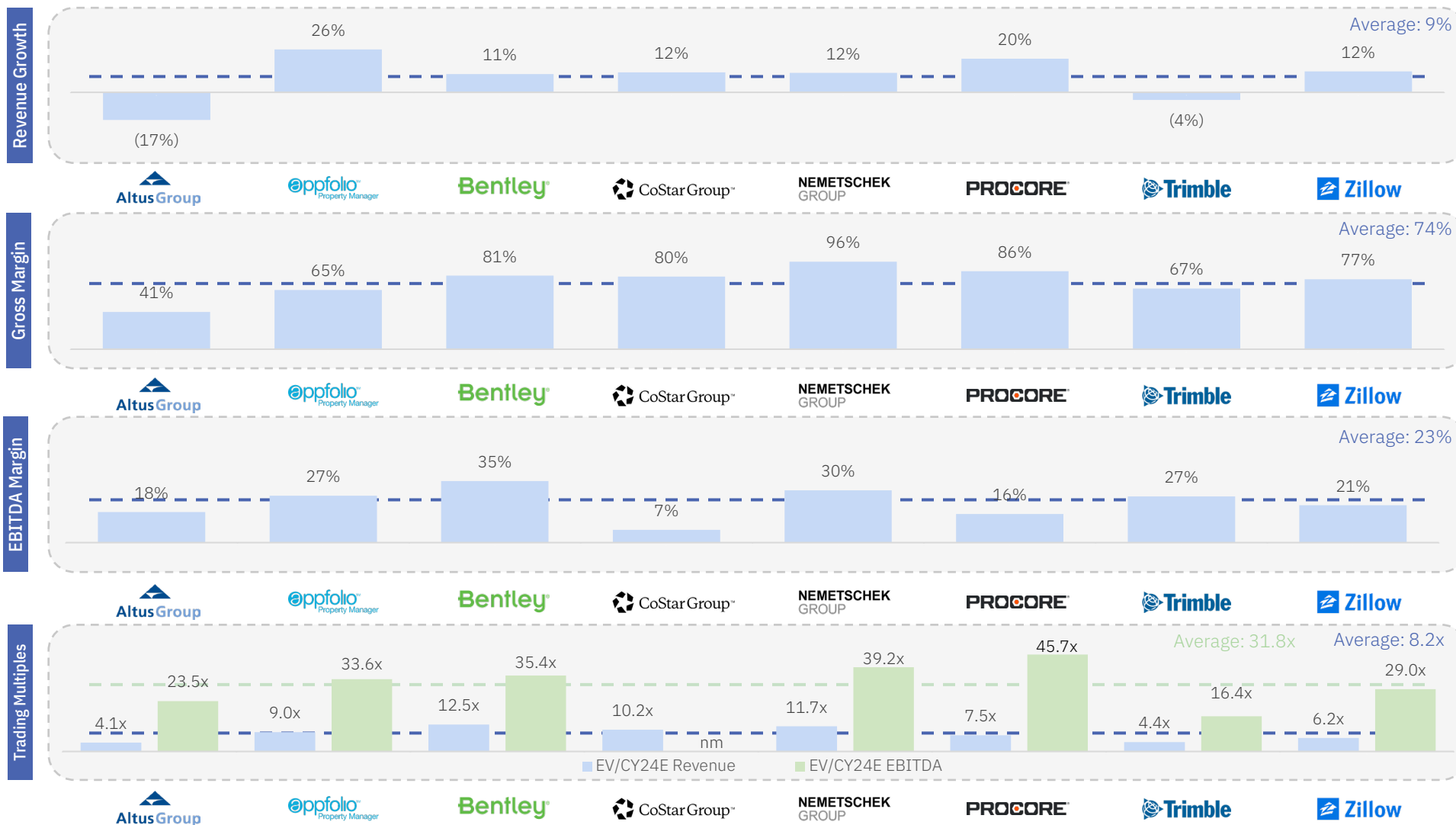
Note: Representative Public Real Estate Software Vendor data as of 10/21/24

Public Markets

 continued

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

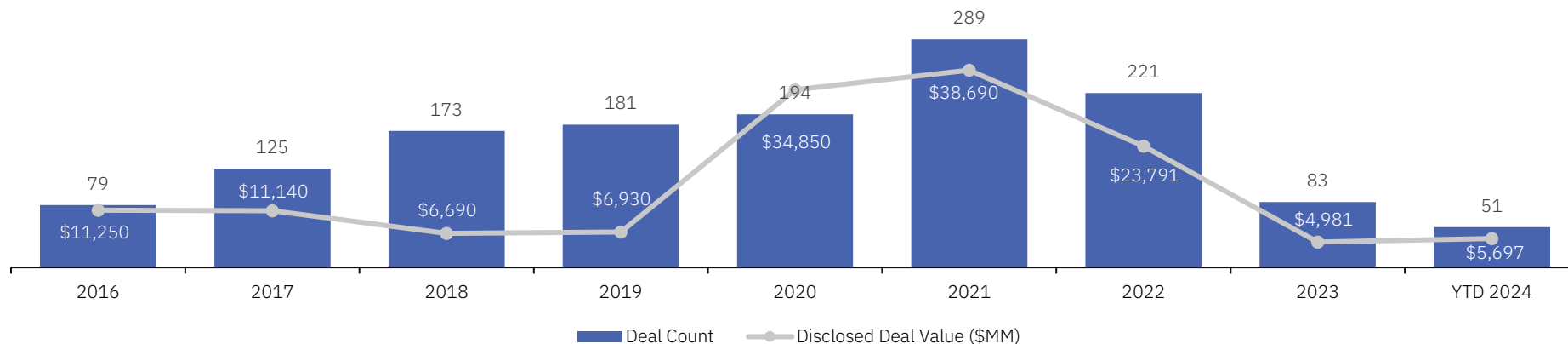
Representative Public Real Estate Software Vendors (CY2024E)



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 continuing into 2024 as macroeconomic conditions improve and interest rates stabilize

Real Estate Software M&A (\$ millions)



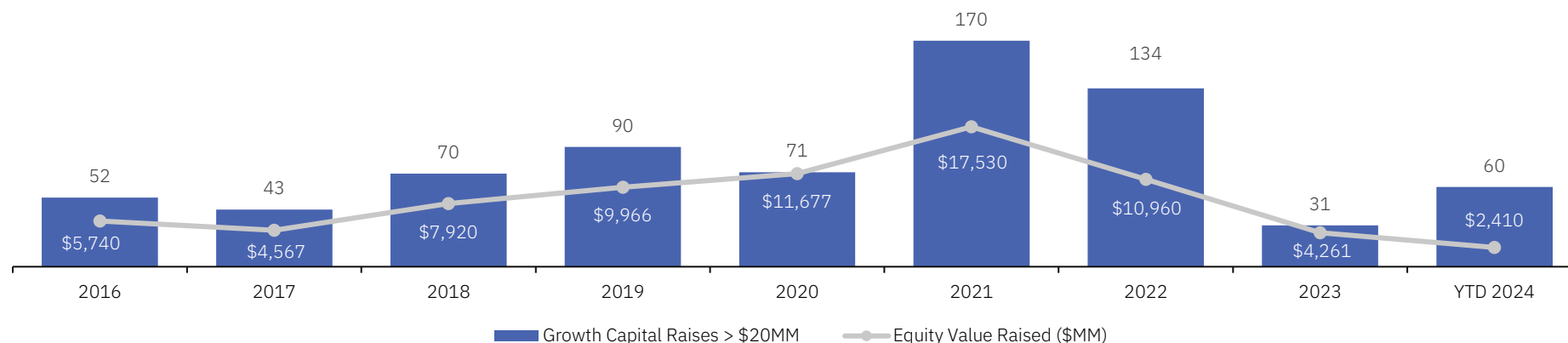
Acquirer	Target	Date	EV	EV / LTM Rev	EV / LTM EBITDA
TPG	Aareon	06/24/24	\$4,166	n/a	n/a
CoStar Group	Matterport	04/22/24	\$1,600	9.1x	nm
Hg	CIVIC Systems	12/14/23	n/a	n/a	n/a
Zillow	Follow Up Boss	11/01/23	\$400	n/a	n/a
TRANE Technologies	nuvolo	10/02/23	n/a	n/a	n/a
CAREL	Kiona	07/24/23	\$232	11.1x	n/a
Johnson Controls	fm:systems	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

Acquirer	Target	Date	EV	EV / LTM Rev	EV / LTM EBITDA
ICE	BLACK KNIGHT	05/04/22	\$13,107	10.8x	23.4x
BLACK KNIGHT	optimalblue	02/15/22	\$1,156	7.1x	n/a
Incino	SIMPLENEXUS	10/21/21	\$1,197	28.8x	n/a
JLL	Building Engines	07/12/21	\$300	n/a	n/a
INSIGHT PARTNERS STONE POINT CAPITAL	ServiceChannel	02/04/21	\$1,200	9.6x	nm
FORTIVE	CoreLogic	12/21/20	\$5,920	3.2x	17.3x
THOMABRAVO	REALPAGE	11/22/20	\$10,433	9.4x	nm
ICE	EllieMac	07/31/20	\$11,000	12.2x	23.4x
PROPTech ACQUISITION	Porch	07/27/20	\$523	9.2x	n/a

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
kin.	QED INVESTORS ActiveGEO DESIG	01/31/24	\$152	\$431	\$1,000
stayntouch	SIXTH STREET	12/12/23	\$48	\$48	n/a
MaintainX	BainCapital VENTURES	12/06/23	\$50	\$103	\$900
FUNNEL	RET.V. Trinity	10/30/23	\$32	\$99	\$162
HqO	INSIGHT PARTNERS KOCH INVESTMENTS GROUP	10/18/23	\$50	\$157	\$560
harri	ATALAYA GOLUB growth	10/10/23	\$43	\$96	n/a
EasyKnock	Mistral Equity Partners	07/01/23	\$38	\$454	\$413
CLOCKWORKS ANALYTICS	S2 VENTURES	06/20/23	\$16	\$36	n/a
EliseAI	Point72 KOCH INVESTMENTS GROUP	06/07/23	\$35	\$82	\$285

Company	Select Investor(s)	Date	Amt. Invested	Funding to Date	Latest Valuation
Hostaway	PSG PREVIDENCE STRATEGIC GROWTH	05/31/23	\$175	\$178	n/a
m measurabl	CAMBER CREEK e- /sway ventures	05/31/23	\$93	\$229	\$433
avenue one	WESTCAP	05/15/23	\$100	\$160	\$1,000
MEWS	KINNEVIK Getman Asset Management	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
goodlord	Columbia Partners WILMINGTON CAPITAL LATITUDE OX	03/30/22	£27	\$75	n/a

People ▪ Industry Expertise ▪ Process Excellence



Boston

San Francisco

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