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TECHNOLOGY & INNOVATION

PROPTECH FUTURES 2024: EXECUTIVE SUMMARY

# **A Forward-Looking Analysis on the State of Proptech Venture Capital in 2024**

## Unveiling the Next Frontier in Real Estate Technology

Welcome to "Proptech Futures: 2024," a comprehensive report crafted to provide deep insights into the rapidly evolving proptech landscape. As we stand at the cusp of significant technological transformations in the real estate sector, this report aims to guide entrepreneurs, investors, and industry leaders through the complexities and opportunities that define proptech today.

### Setting the Scene

The year 2024 marks a pivotal moment in the journey of property technology. The sector is no longer in its nascent stage; it has matured into a vibrant ecosystem brimming with innovation, growth, and investment opportunities. From leveraging artificial intelligence to revolutionizing traditional real estate transactions, proptech is redefining the boundaries of what's possible in the industry.





## Purpose of the Report

This report serves a dual purpose:

1. **Providing Clarity:** In a landscape inundated with information, our goal is to offer clear, concise insights into the current state and future trends of proptech.
2. **Facilitating Decision Making:** For entrepreneurs and investors, this report is designed to be a tool for informed decision-making, highlighting key areas of growth, investment patterns, and emerging technologies in proptech.

## Methodology

Grounded in rigorous research, our methodology combines quantitative data from extensive market studies with qualitative insights from industry leaders, ensuring a balanced and comprehensive view of the proptech sector.

As you navigate through "Proptech Futures: 2024," we invite you to explore the transformative world of real estate technology, uncovering the trends, challenges, and opportunities that will shape the future of this exciting industry.

## What to Expect

- **Forward Analysis:** We delve into the dynamics of the proptech market, examining investment trends, technological advancements, and market predictions.
- **Entrepreneurial Insights:** Drawing from interviews and surveys with over 130 proptech venture capital investors, we provide unique perspectives on what drives the sector.
- **Future Trends:** A look into what 2024 holds for proptech, focusing on investment shifts, technological innovations, and the evolving needs of the real estate market.
- **Strategic Recommendations:** Actionable insights for entrepreneurs and investors to navigate the complexities of the proptech landscape successfully.

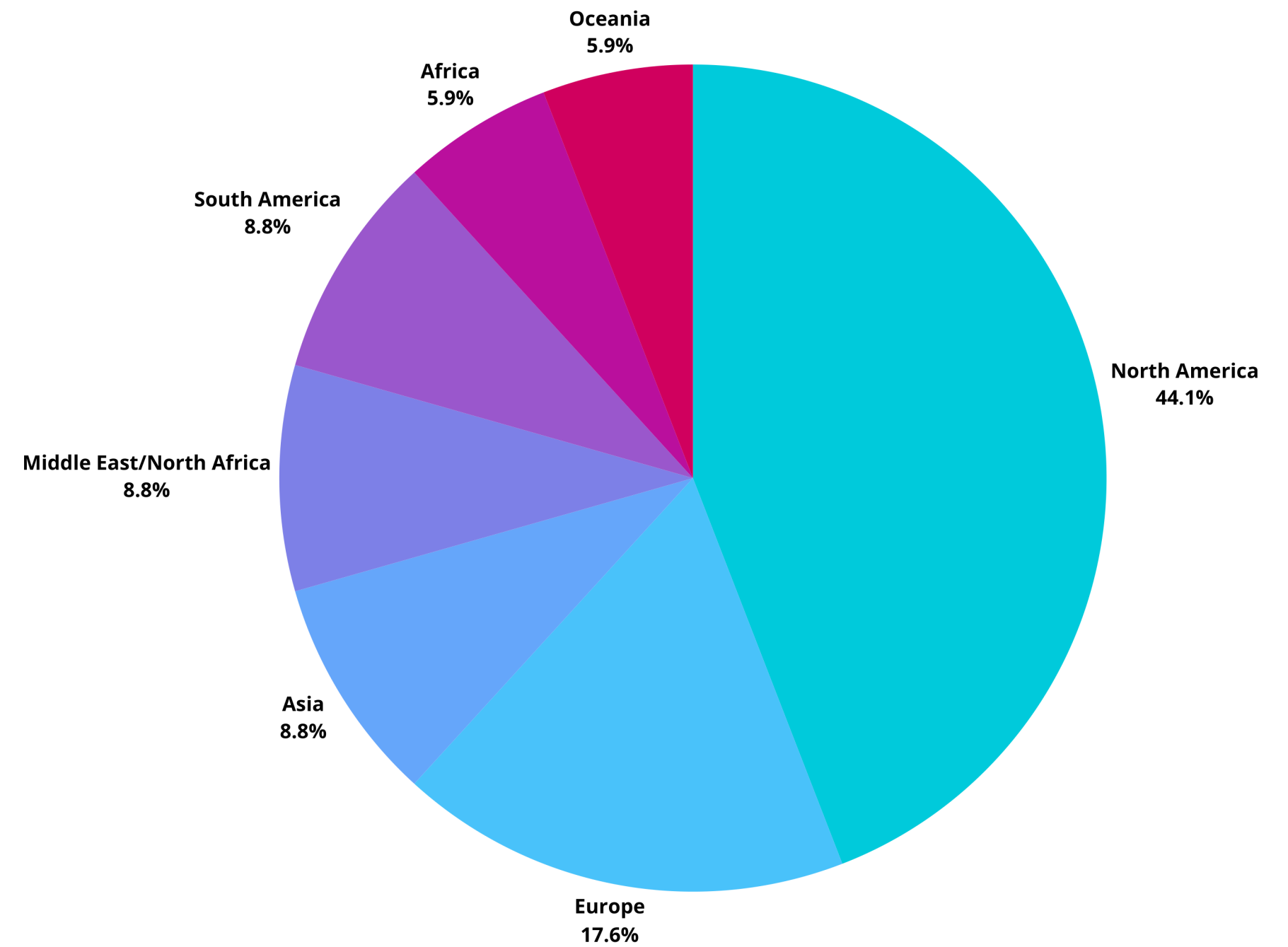
## Accelerating Innovation in Proptech for a Sustainable Future

In an era marked by rapid technological advancements and shifting market dynamics, the proptech industry stands at a pivotal juncture. Leaders in this space have a unique opportunity to drive significant change - not only in the way we interact with real estate but also in how we shape sustainable and inclusive growth in our communities and economies.

## Resurgence in Investment Activity

Post a brief hiatus, proptech venture capital investors have rekindled their investment activities. This resurgence is fueled by a newfound optimism looking towards the latter half of 2023 and beyond. The resurgence is underpinned by increased sales velocity across portfolio companies, defying initial predictions of a slowdown. This acceleration in sales velocity signals a robust demand for proptech solutions and suggests a rapid adoption rate within the real estate industry.

## Geographic Focus of Capital



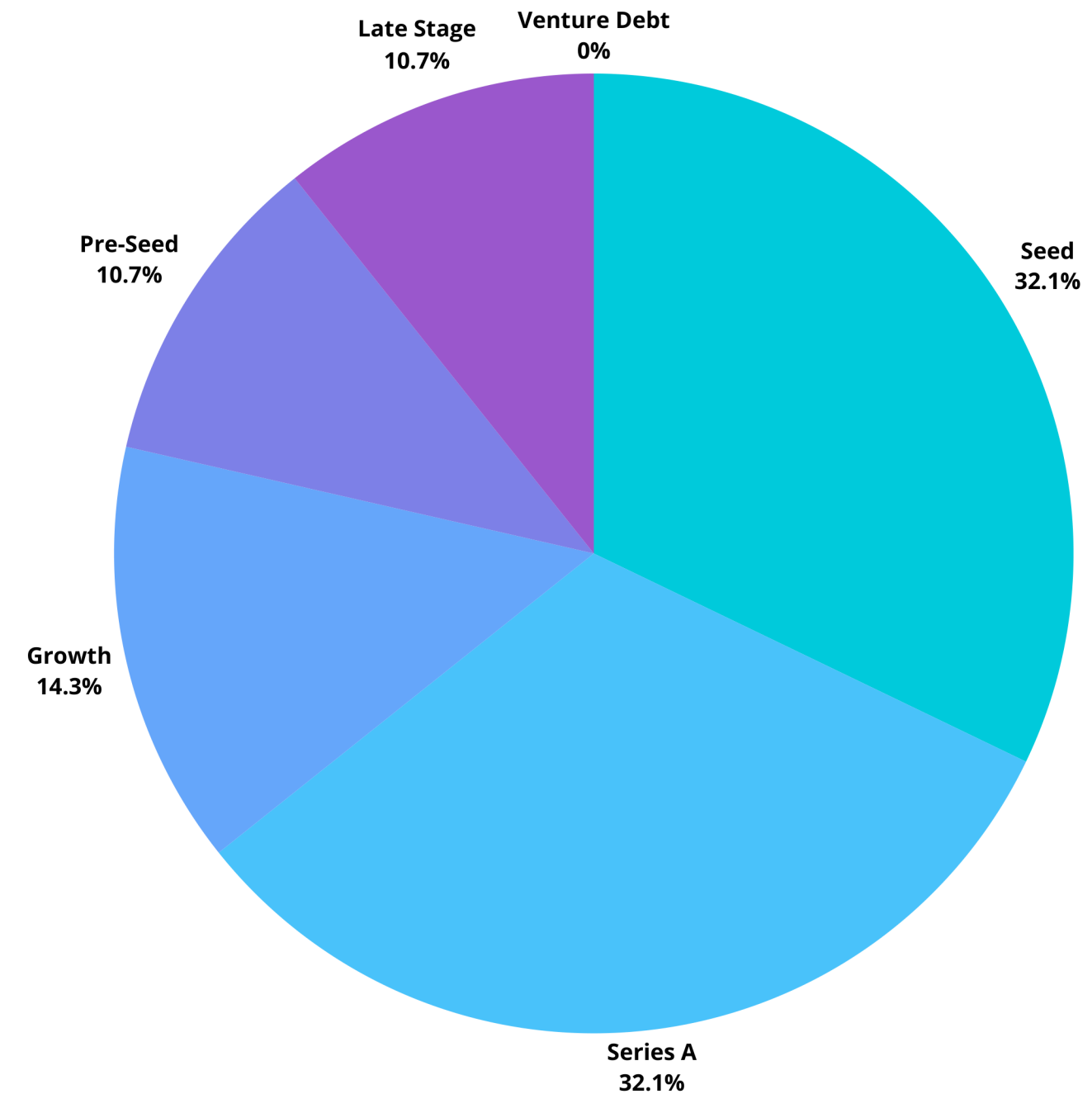
## Investment Focus: Early-Stage Ventures

The investment lens is currently zoomed in on early-stage ventures, predominantly in the "Seed to Seed Extension" stages, and the "Seed to Series A" rounds. This shift is influenced by clients' openness to new technologies for spurring innovation and trimming operational costs. Moreover, the proptech space is witnessing a surge in high-quality founders at these early stages, indicating a vibrant startup ecosystem primed for growth and innovation.

## State of Proptech: 2023-2024

Proptech, in 2023, emerged as a cradle of innovation, buoyed by substantial venture capital investments. The focus has broadened from established technologies to fostering early-stage startups. This strategic direction is not just a trend but a foundational move for future scalability and innovation.

## Investments by Funding Stages



## Technology and Sector Highlights

### 1. **Artificial Intelligence (AI) and Machine Learning (ML):**

These technologies are at the forefront, capturing 35% of technology-focused investments. This dominance underscores the industry's drive towards more intelligent, data-driven solutions. AI and ML are being leveraged to enhance everything from predictive analytics in property valuation to automated customer service and smart building management. Their leading position reflects the sector's commitment to advancing sophisticated, efficient, and highly adaptive real estate technologies.

2. **Blockchain:** Accounting for 25% of the investments, Blockchain technology is gaining traction in the proptech sector. Its appeal lies in its ability to offer transparency, security, and efficiency, particularly in transactions and record-keeping. Blockchain's potential to revolutionize aspects such as property deeds, smart contracts, and even tokenization of real estate assets is thus receiving significant attention and investment.

3. **Internet of Things (IoT):** Garnering 20% of the investments, IoT technology is increasingly integrated into real estate management. IoT's role in enhancing building operations, energy management, and creating connected and smart living or working spaces is pivotal. This investment level indicates a growing interest in creating more interconnected and responsive environments within the real estate industry.



35%

of venture capital investors surveyed have prioritized Artificial Intelligence (AI) and Machine Learning (ML) investments, highlighting the increasing emphasis on data-driven decision-making in the real estate sector



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