

# PropTech Market Update

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Q1 2022 REVIEW

MAY 2022



HOULIHAN LOKEY

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# Executive Summary – Q1 2022 PropTech Market Update

The PropTech market remained highly active in Q1 with strong investment activity across multiple market sub-sectors.

- Investment momentum in the PropTech market remains strong and Q1 2022 saw continued activity in capital investment and M&A in the category
  - \$4.8 billion in equity and debt growth investment into the U.S. PropTech market in Q1 2022 across ~134 investments
  - 27 financing rounds greater than \$50 million and 12 financing rounds over \$100 million into leaders such as Veev, Snappt, Roofstock, OpenSpace, OfficeSpace, and multiple others
- Construction tech saw a significant increase in financing activity in the quarter as the category continues to grow and mature – Veev (\$400M), ICON (\$185M), OpenSpace (\$102M), RenoRun (\$142M) and multiple other construction tech players collectively received over \$1.2 billion in capital in Q1 2022
- Continued activity in the PropTech M&A market with ~33 transactions in Q1 2022, 94% of which were driven by strategic consolidators

### Significant Capital Raises

<b>BUILT</b> ROBOTICS \$64M Equity Raised	<b>Culdesac</b> <sup>™</sup> \$30M Equity Raised	<b>EasyKnock</b> \$57M Equity Raised
<b>GRIDPOINT</b> \$75M Equity Raised	<b>HAPPY</b> <sup>CO</sup> \$52M Equity Raised	
<b>officespace</b> \$150M Equity Raised	<b>withco</b> \$32M Equity Raised	<b>Veev</b> \$400M Equity Raised

### Significant M&A Transactions<sup>(1)</sup>

<b>JLL</b> / <b>Hank</b> Undisclosed	<b>SmartRent</b> / <b>SightPlan</b> \$135M
<b>VISTA</b> EQUITY PARTNERS / <b>StarRez</b> Undisclosed	<b>WALKER &amp; DUNLOP</b> / <b>GEOPHY</b> \$290M <sup>(2)</sup>

- Public PropTech companies were impacted by the broader market selloff in Q1 2022, but thematic tailwinds in the category make it an active category for continued consolidation and investment going forward

Sources: PitchBook.com, company filings, company websites, press releases.

(1) Deal values represent enterprise values.

(2) Deal value includes cash earn-out potential.

# 40+ Global PropTech Deals Announced Since 2017

## U.S. PropTech Team



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## Leader in PropTech Advisory

 has received a strategic growth investment from  Financial Advisor	 a portfolio company of  has been acquired by  Sellside Advisor	 has been acquired by  Sellside Advisor	 has been acquired by MLS Technology Holdings, LLC     Sellside Advisor*	 has received funding from  Sellside Advisor*	 a portfolio company of  has been acquired by  Sellside Advisor*
 has received an investment from  Financing Advisor*	 has been acquired by  Sellside Advisor*	 has received a majority investment from  Sellside Advisor*	 has been acquired by  Sellside Advisor	 has been acquired by  Sellside Advisor*	 has been acquired by  Sellside Advisor*
 has received a strategic investment from  Sellside Advisor*	 has acquired  Buyside Advisor*	 has been acquired by  Sellside Advisor*	 has been acquired by  a portfolio company of  Sellside Advisor*	 has been acquired by  Sellside Advisor*	 has been acquired by  Sellside Advisor*
 has been acquired by  \$370,000,000 Sellside Advisor*	 has a majority interest acquired by  Sellside Advisor*	 has been acquired by  Sellside Advisor*	 has been acquired by  Sellside Advisor*	 has been acquired by  Sellside Advisor*	 has been acquired by  Sellside Advisor*

## European PropTech Team



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\*Selected transactions were executed by Houlihan Lokey professionals while at GCA Global.



# Integrated Team Built to Advise Modern Fintech Platforms

## Fintech Leadership Team



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## Additional Senior Industry Bankers and Team Members



**Andrew Adams**  
Managing Director  
Head of Data and Analytics



**Tara Carter**  
Managing Director  
Data and Analytics



**Lawrence Guthrie**  
Managing Director  
Specialty Finance



**Jeffrey Levine**  
Managing Director  
Global Head of Financial Services



**Michael McMahon**  
Managing Director  
Head of Asset Management



**Arik Rashkes**  
Managing Director  
Head of Insurance



**Brent Ferrin**  
Managing Director  
Specialty Finance



**Craig Muir**  
Managing Director  
Data and Analytics



**James Page**  
Managing Director  
Mortgage



**Christian Kent**  
Managing Director  
Financial Services/Fintech



**Paul Tracey**  
Managing Director  
Insurance



**Dominic Orsini**  
Managing Director  
Technology



**Gagan Sawhney**  
Managing Director  
Capital Markets



**Craig Tessimond**  
Managing Director  
Insurance



**Eric Weber**  
Managing Director  
Asset Management



**Glen Kruger**  
Managing Director  
Technology



**Kevin Walsh**  
Managing Director  
Technology



**Rupert Sadler**  
Managing Director  
Technology



**Anna Cotterell**  
Senior VP  
Data and Analytics



**Antoine Marie**  
VP  
Financial Services/Fintech



**Elliot Reader**  
VP  
Financial Services/Fintech



**Danielle Smith**  
Financial Analyst  
Financial Services/Fintech



**Juan Guzman**  
Managing Director  
Insurance



**Aaron Solomon**  
Senior VP  
Financial Services/Fintech



**Joe Watson**  
Senior VP  
Data and Analytics



**Rip Furniss**  
Senior VP  
Technology



**Matt Capozzi**  
VP  
Financial Services/Fintech

# Vista Equity Partners Make Strategic Investment in StarRez

## Transaction Overview



has received a strategic growth investment



Undisclosed

**Houilhan Lokey acted as exclusive financial advisor to StarRez on its strategic investment from Vista Equity Partners**

- On January 12, StarRez announced it had secured significant strategic growth investment from Vista Equity Partners.
- StarRez's industry-leading, proprietary platform and solutions cater to higher education, student property management, PBSA, BTR, co-living, staff housing, boarding schools, and conferences and events.

- The company is well-positioned within the growing student accommodation market, offering an intuitive cloud solution with a wide-range of housing-specific functionality to customers.
- The strategic growth investment from Vista will help accelerate StarRez's global expansion and foster operational excellence to support sustainable growth, enhance the customer experience, and improve student and resident life globally.


## Company Highlights

<b>800+</b> Customers	<b>20+</b> Countries Deployed
<b>2M+</b> Residence Under Management	<b>250K+</b> Monthly Active Users

## Select Transaction Commentary


“ It's been an amazing 30-year journey as a privately held family business. When my father founded StarRez nearly 30 years ago, his vision was simple: solving problems and empowering residential communities with technology. As we enter this new phase of growth, we are proud to partner with Vista, who believes in our vision and has the experience, resources and expertise to help us continue to grow as the leader for thriving residential communities.

–**Travis Knipe**, CEO, StarRez





















“ As technology continues to transform student life and higher education, and properties seek to create more engaging digital experiences for their communities, we see exceptional growth potential in StarRez as an industry leader and innovator. We look forward to partnering with Travis and the StarRez team to accelerate growth and continue improving the lives of students and residents around the world.

–**Patrick Severson**, Senior Managing Director & Co-Head, Vista's Foundation Fund

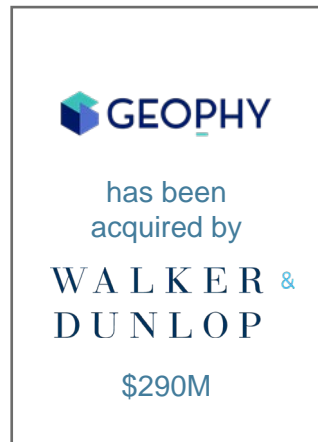


## StarRez Platform

For Residents			For Administrators		
 Resident Self-Service	 Roommate Matching	 Resident Engagement	 Mobile App	 Front Desk Assistance	 Appointment Scheduling
 Room Management	 Self Reporting	 Resident Communication	 Contactless Move-in	 Community Management	 Conferences & Events
 Maintenance Requests	 Package Tracking	 Secure Payments	 CRM Communication	 Billing & Finance	 Dashboards & Reporting

# Walker & Dunlop Acquires GeoPhy

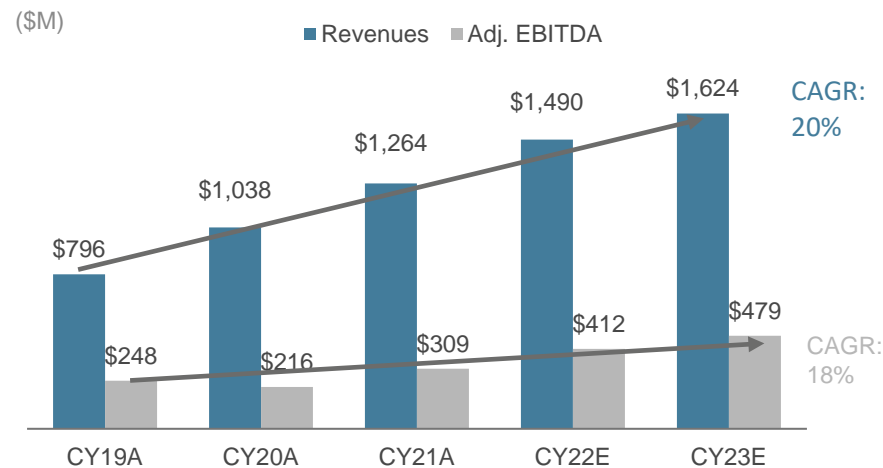
## Transaction Overview



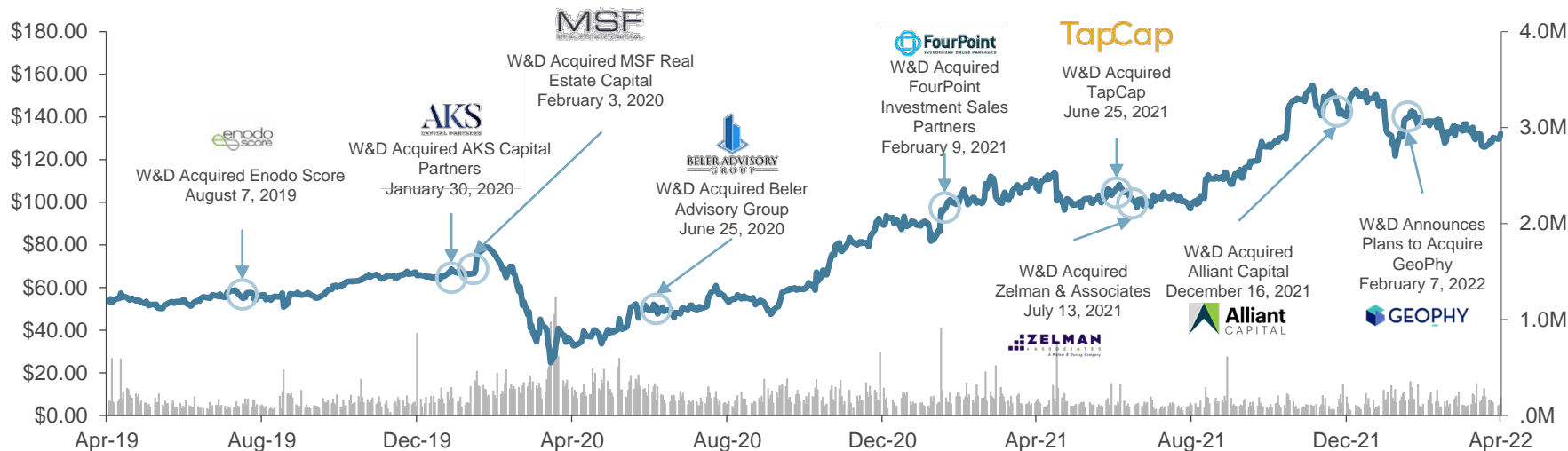
Houlihan Lokey acted as exclusive financial advisor to GeoPhy on its sale to Walker & Dunlop

- On February 7, Walker & Dunlop (NYSE: WD) announced it had entered into an agreement to acquire GeoPhy for \$290M in which \$85M in cash is paid at closing with an additional \$205M of cash earn-out potential.
- GeoPhy's data analytics capabilities will accelerate the growth of W&D's lending, brokerage, and emerging businesses including Apprise, its tech-enabled appraisal business, and WDExpress, its small balance lending platform.

## Walker & Dunlop Financial Details<sup>(1)</sup>



## Walker & Dunlop 3-Year Stock Price Performance



Sources: S&P Capital IQ, Wall Street Research, company websites, press releases.

(1) Projected figures per Wall Street research consensus as of 5/5/2022, which are pro-forma for GeoPhy.

# Walker & Dunlop Acquires GeoPhy (cont.)

## Select Transaction Commentary

GeoPhy has gained a reputation for its unrivaled capabilities in data science and predictive models, which provide our customers in the commercial real estate space with unmatched efficiencies and insights. We're thrilled to bring our industry experience and insights to Walker & Dunlop to propel the growth of their lending, brokerage, and emerging businesses. As a combined company, we have the scale, resources, and expertise to truly differentiate Walker & Dunlop's services in the marketplace. We know W&D, we know the value of their brand and platform, and we expect this acquisition to be a fantastic success.

—Teun van den Dries, Co-Founder & CEO, GeoPhy



This acquisition is a game-changing investment for Walker & Dunlop, as it dramatically accelerates the growth of our technology capabilities in two areas of the market where we have the ability to disrupt the commercial real estate services industry. As our current JV partner in Apprise, we are well-acquainted with the GeoPhy team and their capabilities. Actionable technology—that makes our bankers and brokers more insightful and capable—is what has differentiated Walker & Dunlop, and the acquisition of GeoPhy immediately enhances our capabilities. GeoPhy is the largest technology investment we have made and accelerates the achievement of our Drive to '25 strategy to use technology to grow our existing scaled lending and brokerage businesses, as well as transform the real estate services landscape by developing tech-enabled businesses that will be faster, better, and cheaper than the competition.

—Willy Walker, Chairman & CEO, Walker & Dunlop



## Overview of Companies and Select Offerings

WALKER &  
DUNLOP

GEOPHY

- Largest provider of capital to the multifamily industry in the US and the 4<sup>th</sup> largest lender on all commercial real estate
- Created a “Drive to '25” revenue and expansion goal, with plans to expand annual origination volume, grow the service portfolio, increase annual property sales volume, and increase AUM

### Multifamily Lending (WDExpress):

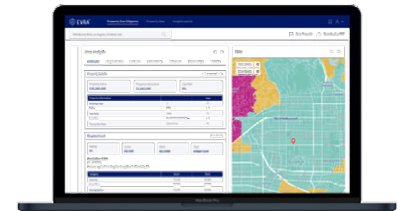
Refinance an existing loan, raise capital to acquire an asset, or secure construction financing to build a new property

**Debt Brokerage:** Provide customers with debt financing

**Property Sales:** Property sales brokerage services to owners and developers of multifamily properties

- Operator of an artificial intelligence-based property analytics platform intended to provide instant and accurate property valuations
- Company's platform uses data and machine learning to create instant and accurate valuations for commercial real estate

**Evra:** Source, screen, and underwrite CRE deals through deal origination, property screening, and underwriting capabilities



Through Joint Venture

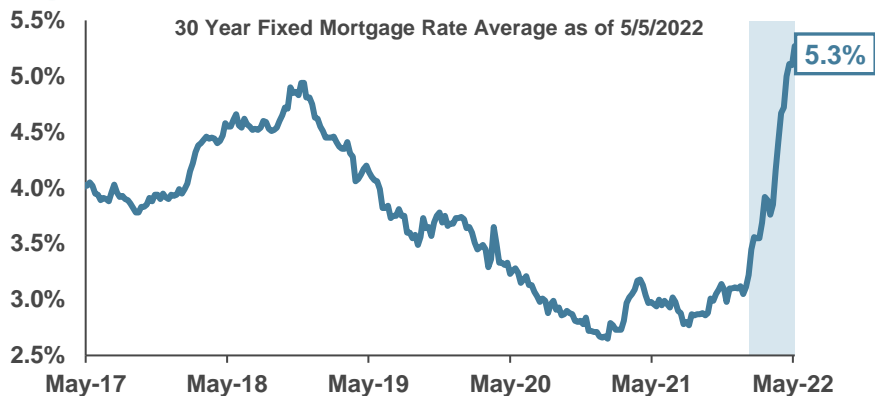
**Apprise:** Delivers appraisals, leveraging data, expert multifamily appraisal specialists, and innovative technology



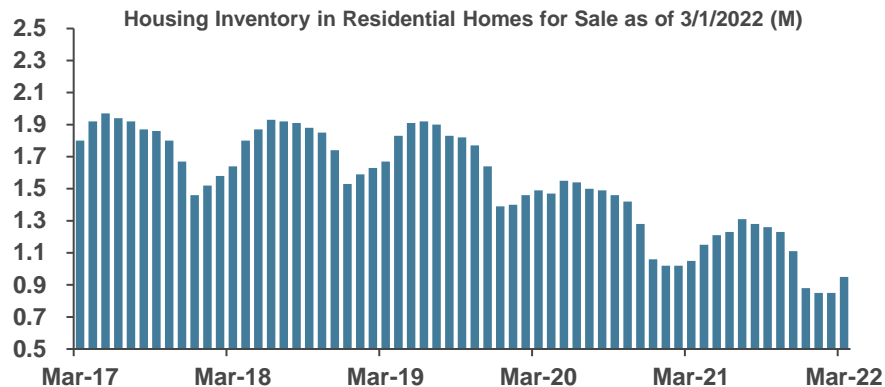
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# Residential RE Market Remains Highly Active Despite Inventory Levels and Rising Rates

## 1 Mortgage Rates Up Significantly in Q1 2022 <sup>(1)</sup>

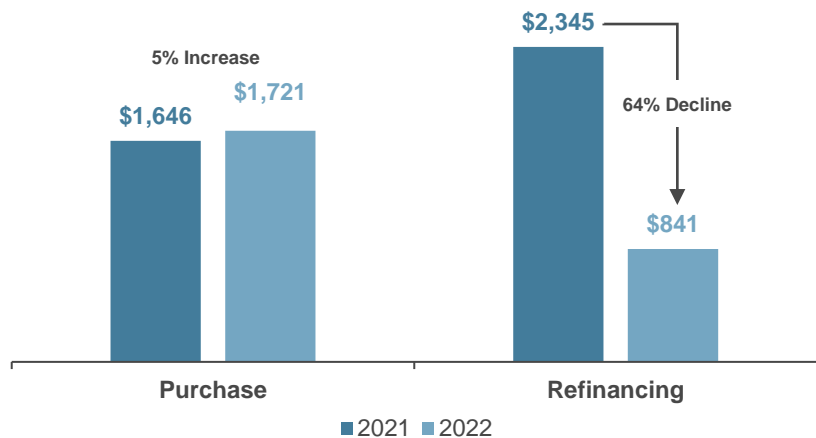


## 2 Constricted Housing Supply as Inventory Remains at New Record Lows <sup>(1)</sup>

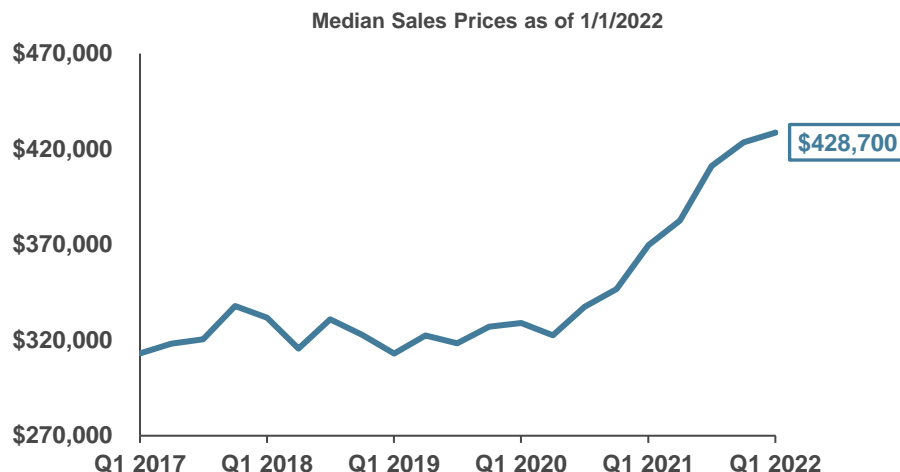


## 3 Mortgage Purchase Origination Volume Expected to be Up y/y Despite Rising Rates, but ReFi Volume Expected to Decline Significantly <sup>(2)</sup>

MBA Purchase Origination and Refinancing Loan Volume Projections as of 4/13/2022 (\$M)



## 4 Inventory Constraints Driving Up Prices Despite Rising Rates <sup>(1)</sup>



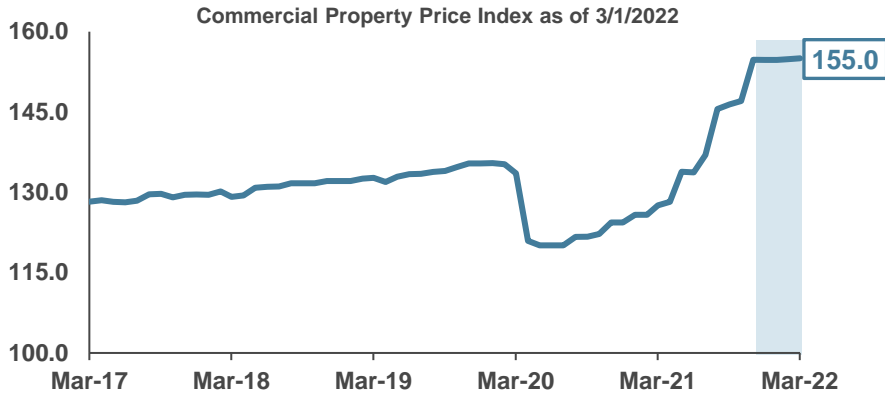
Source:

(1) Freddie Mac.

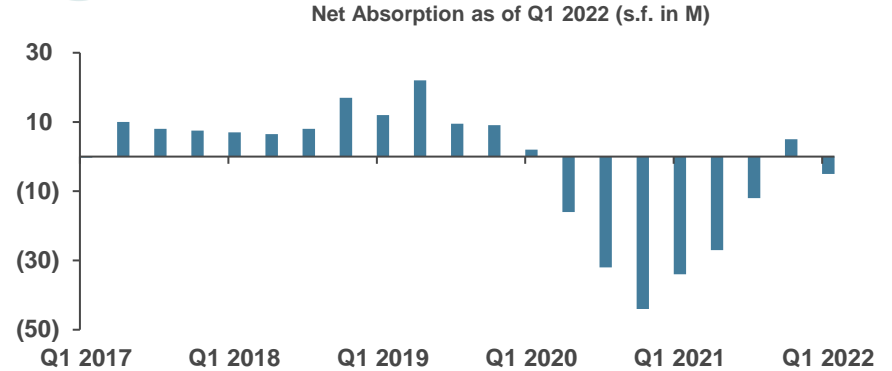
(2) Mortgage Bankers Association of America.

# CRE Markets Recovering with Tech Adoption Growing Rapidly

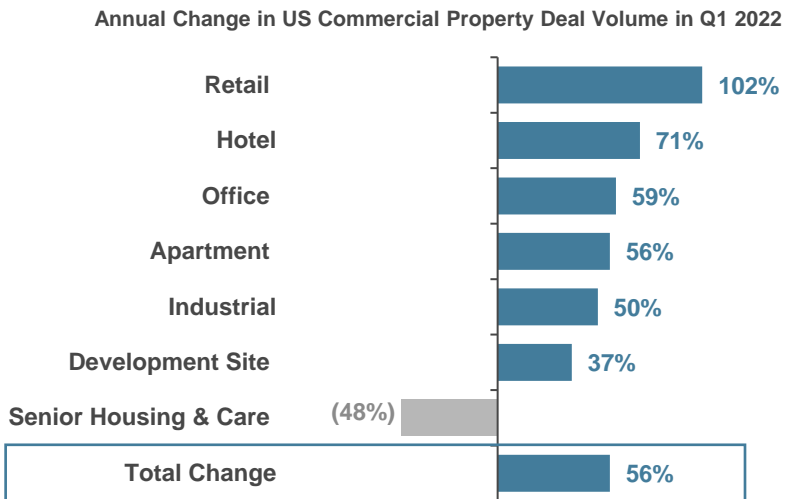
## 1 Commercial Property Prices Growth Slowed in Q1<sup>(1)</sup>



## 2 Net Absorption Rate in Slightly Negative Territory Due to Relocations and Consolidation<sup>(3)</sup>



## 3 US Commercial Property Transactions Have Generally Increased, with Strong Performance in Retail<sup>(2)</sup>



## Multiple High-Profile CRE / Multi-family Tech Financings in Q1 2022

**Alfred**

\$125M Equity and Debt Raised<sup>(4)</sup>

**Envoy**

\$111M Equity Raised

**HAPPYCO**

\$52M Equity Raised

**officespace**.com

\$150M Equity Raised

Source:

(1) Green Street Insights.

(2) RCA Analytics.

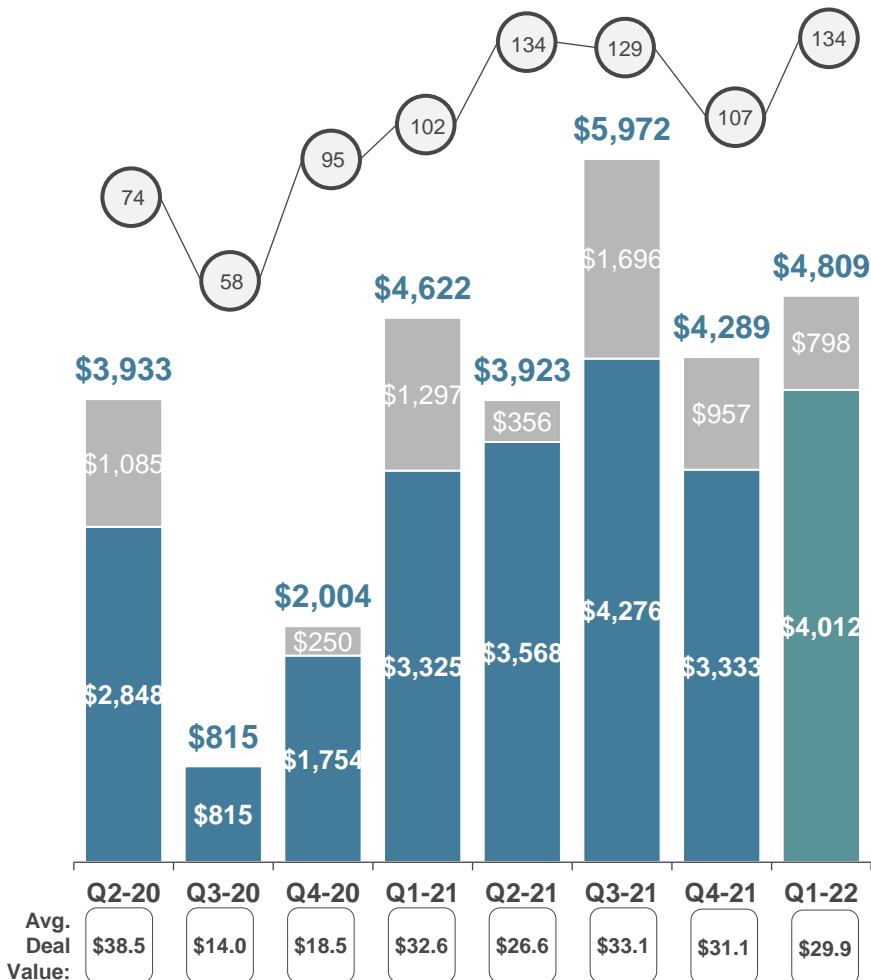
(3) JLL, "Office Outlook."

(4) Alfred raised \$50M in a mix of debt and equity and has access to up to an additional \$75M.

# PropTech Private Capital Deal Dashboard – Q1 2022

## Financing Activity

(\$M) ■ Equity Raise Value ■ Debt Raise Value ○ Number of Deals



Sources: Press releases, Greek Wire, Yahoo Finance, Axios, TechCrunch, Venture Beat, The Real Deal.

(1) Crunchbase.

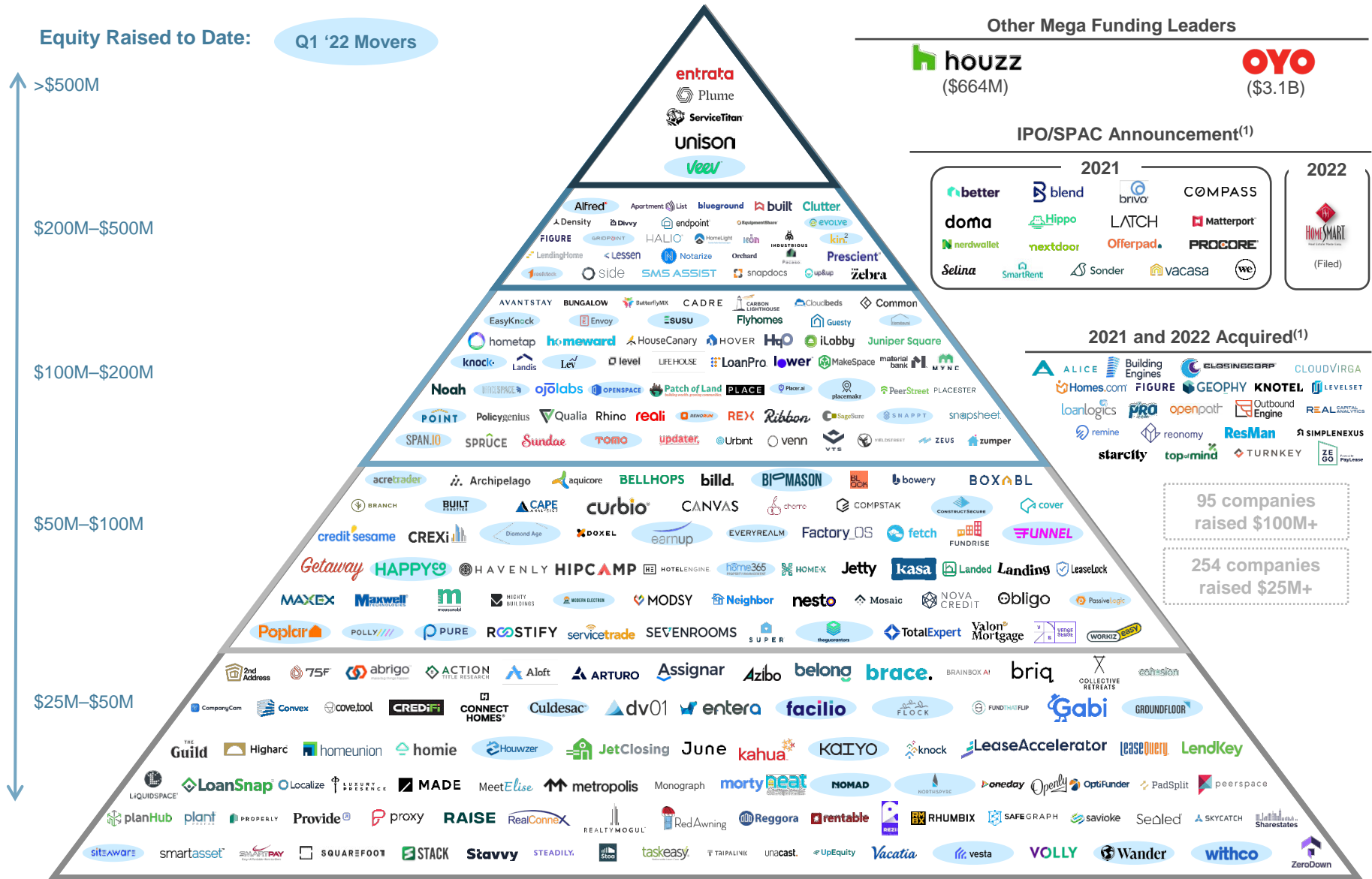
(2) Pitchbook.com.

## Select Q1 2022 Financing Transactions

(\$M)

Date	Company	Select Investor(s)	Amt. Equity Invested	Equity Funding to Date	Latest Reported Valuation
3/21	<b>TOMO</b>	svb Capital	\$40	\$110	\$640
3/15	<b>knock</b>	FOUNDRY GROUP	\$70 equity / \$150 debt	\$131 <sup>(1)</sup>	NA
3/10	Diamond Age	Prime Movers Lab	\$50	\$58	\$140 <sup>(2)</sup>
3/10	roofstock	SoftBank	\$240	\$400+	\$1,940
3/2	OPENSOURCE	PSP GROWTH A PSP PARTNERS COMPANY	\$102	\$190	\$902
3/1	<b>kin.</b>	QED INVESTORS	\$82	\$215	\$832 <sup>(2)</sup>
3/1	<b>veev</b>	BOND	\$400	\$600	\$1,000+
2/22	<b>facilio</b>	DRAGONNEER	\$35	\$45	\$171 <sup>(2)</sup>
2/15	Homebound	khosla ventures	\$75	\$148	\$725 <sup>(2)</sup>
2/14	<b>evolve</b>	Durable CAPITAL & FINANCE	\$100	\$235	NA
2/9	<b>EasyKnock</b>	BLUMBERG CAPITAL Gaingels QED INVESTORS	\$57	\$105	NA

# PropTech Private Company Funding Leaders



Sources: PitchBook.com, CB Insights, company filings, company websites, press releases.

Notes: Equity raised to date as of 4/31/2022.


(1) Based on transaction announced date.

(2) Kin Insurance previously announced that they would go public through a SPAC but has since terminated their plans.




# HappyCo Raises \$52 Million Led by Camber Creek

## Transaction Overview



Investment Led by



\$52M Equity Raised

- On January 19, HappyCo announced its \$52 million funding round led by Camber Creek.
- The fundraise included venture capital investors and HappyCo customers.
- HappyCo was designed to automate, simplify and protect data collected during residential rental property inspections and has grown to become a trusted multi-faceted solution for property management, due diligence, and underwriting globally.
- In 2021, HappyCo data was relied upon to transact approximately 26% of all US sale transactions of multifamily units.

## Select Customers

Enable customers to collect in-depth data for +3.5M homes



**Lenders**



**Real Estate Investors**



**Government Sponsored**



**Property Managers**



## HappyCo Overview

<b>Headquarters</b>	San Francisco, CA
<b>Founded</b>	2011
<b>Description</b>	Provider of real estate software that develops mobile and cloud solutions to enable real-time operations data for property managers, asset managers, lenders, and investors. Its software suite includes market-leading condition assessment and workflow tools with in-unit data on more than 3.5 million rental homes

**Select Current Investors**



## Select Deal Commentary

“ This funding round marks an inflection point in the growth of our business, not only in our capacity to develop new products and innovative solutions, but also to lay down a stronger team presence in Australia as the build-to-rent market here gains traction. As well as hiring a load of technical talent in Australia, the funding will allow us to pursue acquisitions in the major markets where we’ve built a best-in-class network of institutional real estate investors, property managers, and lenders.

– Jindou Lee, Co-Founder & CEO, HappyCo



Sources: PitchBook.com, company website, press releases.

# OfficeSpace Raises \$150 Million from Vista Equity Partners

## Transaction Overview



Investment Led by



\$150M Raised

- On January 21, OfficeSpace announced its \$150 million strategic investment from Vista Equity Partners.
- Recently, OfficeSpace launched Neighborhoods, a feature designed to manage the new hybrid reality, enabling customers to manage the return to the workplace.
- OfficeSpace currently has 200 employees in total, in which 50 are located in Atlanta.
- The announced investment will help accelerate the growth of its Atlanta workforce.

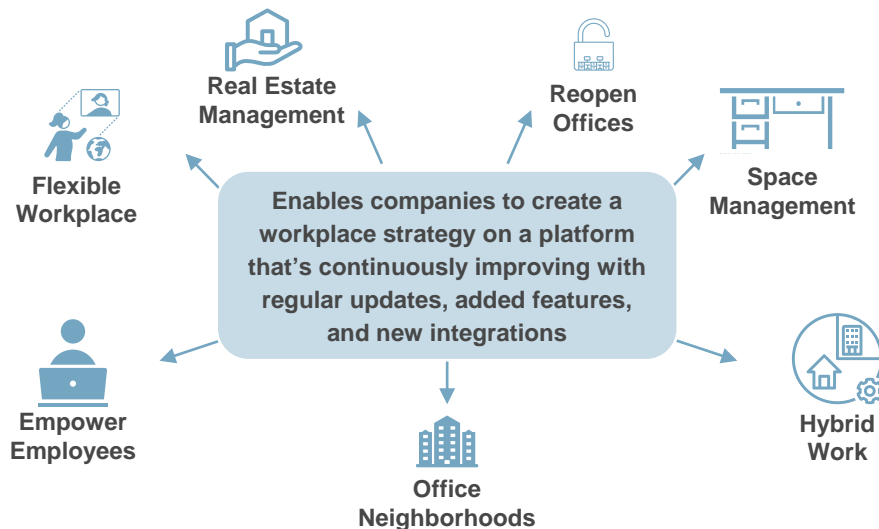
## OfficeSpace Overview

<b>Headquarters</b>	Alpharetta, GA
<b>Founded</b>	2004
<b>Description</b>	Provider of an innovative platform that simplifies the workplace for dynamic organizations. From space management and social distancing to desk booking and employee requests, OfficeSpace provides the flexibility and agility forward-focused companies need to manage their current workspace—and create a better place for everyone

### Current Investors



## Solution Overview



## Select Deal Commentary

There is no question that OfficeSpace has built the market-leading software solution for companies who are addressing difficult questions about the evolving workplace...We are proud to back OfficeSpace as they continue to improve the employee and workspace experience.

– René Stewart,  
Senior MD, Vista



We're thrilled to receive support from Vista and continue our partnership with Resurgens, who believe in our vision of creating a better place for everyone, wherever work happens. I'm incredibly proud of our team, and we are ready to build on our strong foundation and continue to bring exceptional value to our customers.

– David Cocchiara,  
CEO, OfficeSpace



# Veev Raises \$400 Million in Series D Round

## Transaction Overview



Series D  
Led by

**BOND**

\$400M Equity Raised

- On March 1, Veev announced its \$400 million Series D funding round led by Bond Capital.
- The company plans to use its new capital toward scaling its operations, expanding construction, distributing to new markets, and accelerating research & development initiatives.
- This latest funding round brings total funding to \$600 million and propels the Company to unicorn status.

## Select Deal Commentary

Its software-defined, end-to-end manufacturing process provides an exceptional level of quality faster to customers, and will be pivotal in creating much-needed housing in the United States...We talk a lot about 'disruption' in technology, but what Veev is doing is truly groundbreaking.

—Noah Knauf, General Partner, Bond Capital



We've taken a 'network' approach to our expansion efforts—similar to what some major e-commerce companies have capitalized on with local distribution centers.

—Amit Haller, Co-Founder & CEO, Veev



## Veev Overview

<b>Headquarters</b>	San Mateo, CA
<b>Founded</b>	2008
<b>Description</b>	Developer of vertically integrated real estate that provides a turnkey offering completely in-house. The Company's build process includes asset management, architectural and structural design, permitting, full modular build, installation, and a digital home backbone. Veev creates its developments with its proprietary construction technology, enabling the company to automate and scale—all within a near-zero waste fabricated environment.

Select Current  
Investors

**BOND**

khosla ventures

**FIFTH WALL**

**LENNAR**

**JLL Spark**



## Engineering Offerings

### 1. System Technologies

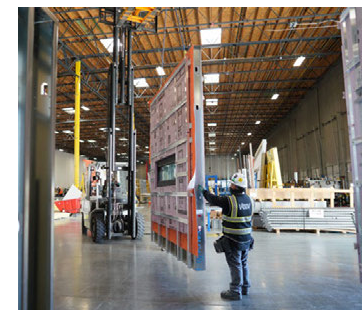
- ✓ Development of Plug & Play technology for mechanical, electrical, plumbing, and fire suppression within Veev's modular system

### 2. Component & Process Development

- ✓ Development of modular integrated components within Veev's fabricated panels, including ventilation, mechanical, electrical, and more

### 3. Digital Home Automation Hardware

- ✓ Development of buildout of controls devices like sensors, lighting, windows shades, fans, HVAC, garage doors, etc.



# OpenSpace Raises \$102 Million in Series D Round

## Transaction Overview



Series D  
Led by



\$102M Equity Raised

- On March 2, OpenSpace announced its \$102 million Series D funding round led by PSP Growth.
- Over the last year, the company has taken several steps to meet growing demand, including expanding product offerings, widening its international footprint, and branching out to new use cases.
- This latest funding brings the total equity raised to \$190 million, and values the company at \$902 million.
- The funding will be used to continue scaling the business and to develop additional AI-powered technologies.

## Key Metrics <sup>(1)</sup> and Solution Overview

10K+

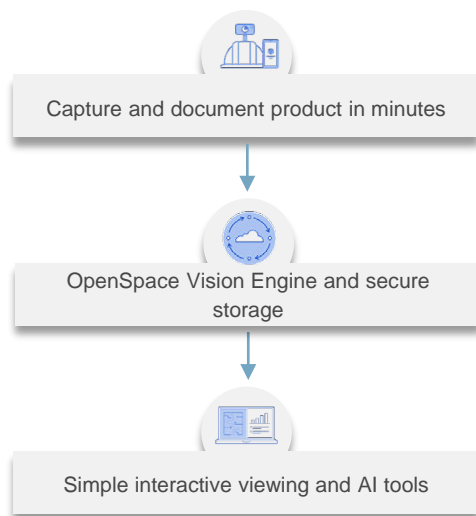
Jobsites used OpenSpace to-date

7B+

Jobsite imagery captured, creating one of the industry's largest construction space data sets

500+

Jobsites used OpenSpace this past month



Sources: PitchBook.com, The Real Deal, Company website, press releases.

(1) As of 4/2/2022.

## OpenSpace Overview

<b>Headquarters</b>	San Francisco, CA
<b>Founded</b>	2017
<b>Description</b>	Developer of a machine vision product designed to solve problems in construction and related industries. The company's core product uses AI to automatically create navigable, complete photo representations of job sites, allowing for faster data-capture compared to traditional, manual methods. OpenSpace offers the ClearSight product suite, which is an AI-powered analytics software that can quantify progress, enabling builders to collaborate and reduce risk more efficiently than text-based workflows.

Select Current Investors



BlackRock

JLLSpark



## Select Deal Commentary

From our vantage point of investing in and building enduring businesses in both real estate and high-growth technology companies, we see OpenSpace as a leader at the intersection of both these segments.

– Penny Pritzker, Founder & Chairman, PSP Partners



The strong adoption we've seen from the industry shows the desire for this technology, and we're pleased to partner with investors who recognize and support our mission to meet that demand. We're looking forward to continuing to scale our platform to best serve the needs of builders across industries, around the world.

– Jeevan Kalanithi, Co-Founder & CEO, OpenSpace



# Roofstock Raises \$240 Million in Series E Round

## Transaction Overview



Series E  
Led by



\$240M Equity Raised

- On March 10, Roofstock announced its \$240 million Series E funding round led by SoftBank.
- The company intends to use the funds to enhance its Roofstock One offering to accredited investors, to help further improve accessibility and liquidity in the SFR asset class, hire across all roles from engineering and product to marketing, analytics and operations, build out Roofstock Labs and provide capital for additional strategic M&A.
- This latest funding round values the company at \$1.94 billion.

## Key Metrics<sup>(1)</sup>

**\$5B+**

Transactions to Date

**\$1B+**

Trading in Portfolio for 2021

**\$1.2B+**

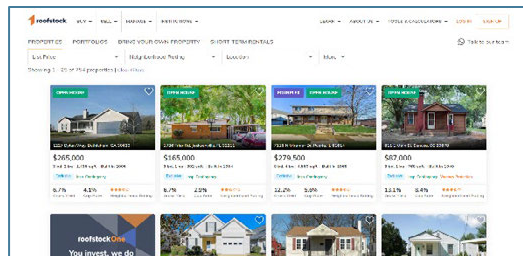
In Assets Purchased from Institutional Clients in 2021

**15,000**

Homes Under Management

**\$4T**

TAM



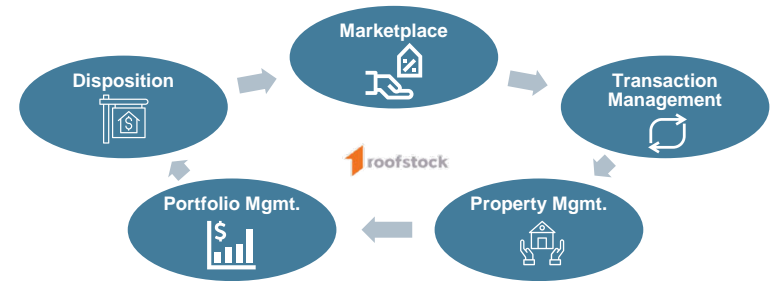
## Roofstock Overview

<b>Headquarters</b>	Oakland, CA
<b>Founded</b>	2015
<b>Description</b>	Led by CEO Gary Beasley, and Gregor Watson, co-founder and Chairman, Roofstock is a digital real estate investing platform for the \$4 trillion single-family rental home (SFR) sector. Its technology and software make it possible for both incumbents and new investors to maximize opportunities across the U.S. and realize substantial rewards in a customized, transparent digital experience.

Select Current Investors



## Product And Services Offering



## Select Deal Commentary

“There has never been a time quite like this for single-family real estate, and Roofstock is truly at the vanguard of making the market work for everyone. We're grateful for the continued support from our new and existing investors and stakeholders who share our vision to make this a modern, radically accessible asset class.


—Gary Beasley, Co-Founder & CEO, Roofstock






# Snappt Raises \$100 Million in Series A Round

## Transaction Overview



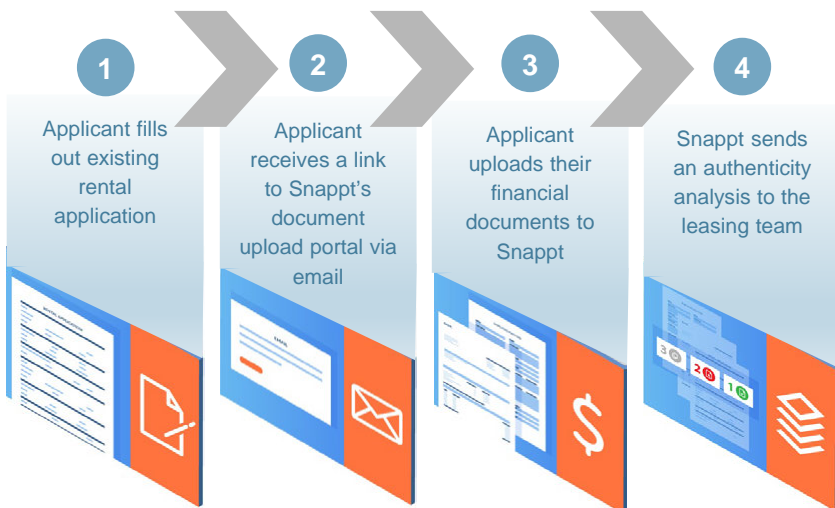
Series A  
Led by



\$100M Equity Raised

- On March 15, Snappt announced its \$100 million Series A funding round led by Insight Partners.
- The new investment will be used to accelerate product development, increase sales and marketing efforts, and expand market reach.
- Snappt helped its customers avoid \$105M+ in bad debt in 2021 and 1K+ multi-family communities use Snappt.
- The funding comes after the rapid growth Snappt saw in 2021, including apartment unit and revenue growth of +700%.

## Snappt's End-to-End Solution



## Snappt Overview

<b>Headquarters</b>	Los Angeles, CA
<b>Founded</b>	2017
<b>Description</b>	Provider of a quick and inexpensive data-driven fraud detection service that can accurately spot fraudulent documentation. The company's technology aggregates all applicant data directly from the source by evaluating documents for possible fraud and qualifies the resident based on the property owner's acceptance criteria, enabling landlords to authenticate self-reported information as well as instantly retrieve criminal, credit, and expulsion data/

Current Investors



## Select Deal Commentary

“Snappt has the right mix to become a major force in the real estate market: an experienced executive leadership team with a proven track record in the property management sector, a highly unique software solution and viral product-market fit.

–Thomas Krane, Managing Director, Insight Partners



“Our vision is to dramatically lower the number of fraudulent tenant applications that go undetected, helping our customers save millions in eviction costs and minimize risk. Insight Partners' alignment with this vision will enable us to scale and continue the momentum.

–Daniel Berlind, Co-Founder & CEO, Snappt



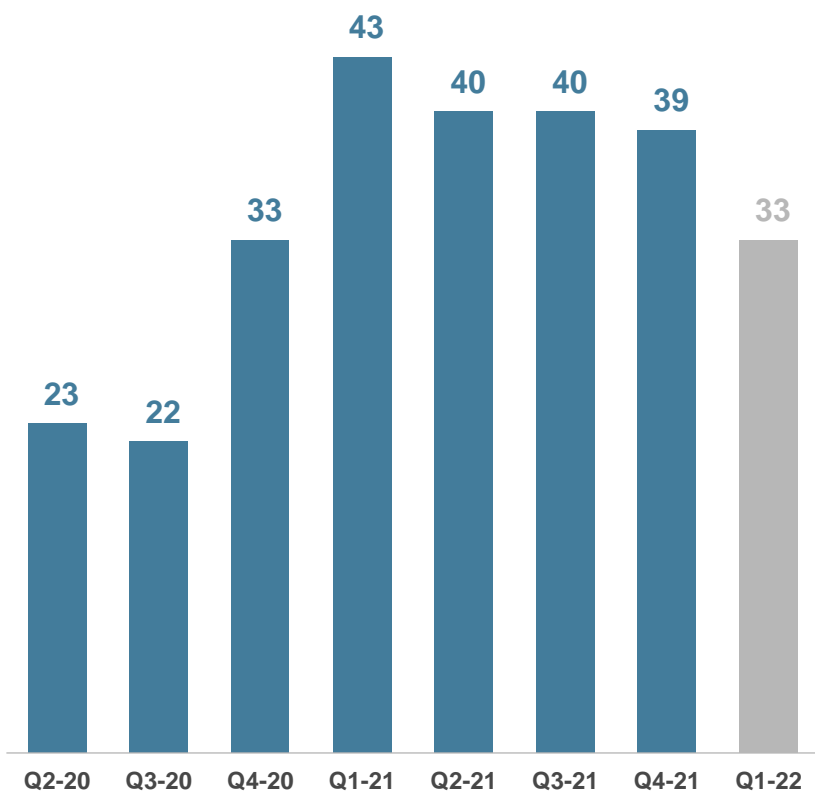
# PropTech M&A Deal Dashboard – Q1 2022

## Q1 2022 U.S. PropTech M&A Activity

### Q1 2022 M&A Activity

94% strategic acquirers (includes PE-backed strategics)

6% financial acquirers



## Select U.S. Q1 2022 PropTech M&A Transactions

(\$M)

Buyer	Target	Announced Date	Enterprise Value
AUTODESK	THE WILD	3/24	NA
SmartRent	SightPlan	3/24	\$135
Alfred	RKW RESIDENTIAL	3/8	NA
Clutter <sup>(1)</sup>	MakeSpace <sup>(1)</sup>	2/24	NA
WALKER & DUNLOP	GEOPHY	2/7	\$290 <sup>(2)</sup>
we	COMMON DESK	1/25	NA
mri REAL ESTATE SOFTWARE	ANGUS SYSTEMS	1/19	NA
buildout	apto	1/19	NA
VISTA EQUITY PARTNERS	StarRez	1/12	NA
REDFIN	bay equity	1/11	\$138
JLL	Hank	1/6	NA
CBRE	Building i	1/5	NA

Sources: PitchBook.com, 451 Research, press releases.

(1) Clutter and Makespace merged into one company, which will operate under the Clutter brand.

(2) Deal value includes cash earn-out potential.

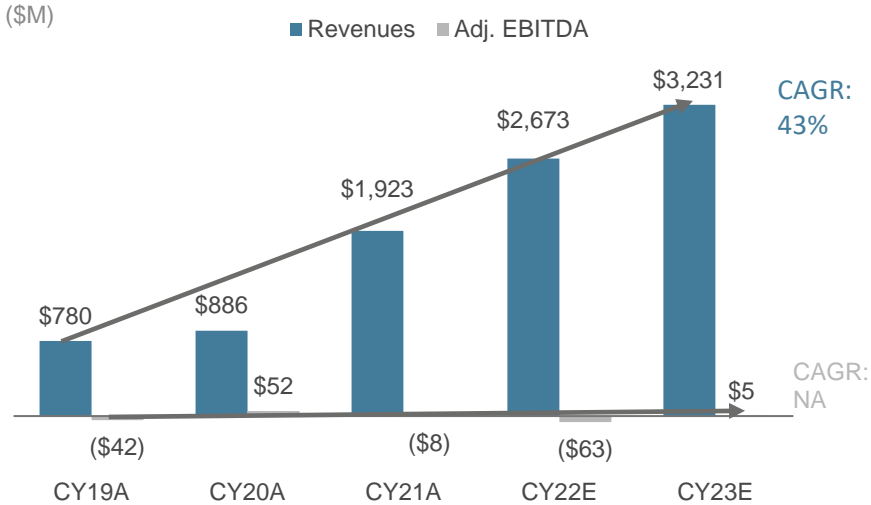
# Redfin Acquired Bay Equity Home Loans

## Transaction Overview

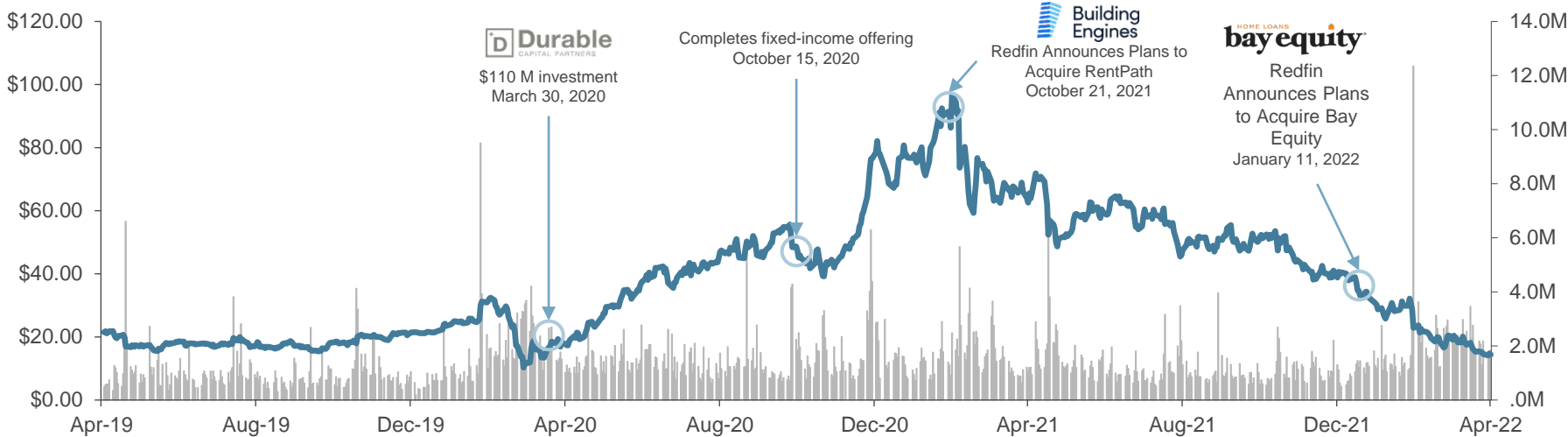
**REDFIN**  
Acquired  
**HOME LOANS bay equity**  
\$138M

- On January 11, Redfin (NASDAQ:RDFN) announced it had entered into an agreement to acquire Bay Equity Home Loans for \$137.8 million in an all-cash transaction.
- Under the terms of the merger agreement, the purchase price represents a \$72.5 million premium over Bay Equity’s tangible book value as of February 28.
- Bay Equity will continue to operate under its own name and current leadership, originating refinance and purchase loans for customers working with Redfin agents as well as customers working with other brokerages.

## Redfin Financial Details<sup>(1)</sup>



## Redfin 3-Year Stock Price Performance



Sources: S&P Capital IQ, Wall Street Research, company websites, press releases.  
 (1) Projected figures per Wall Street research consensus as of 5/5/2022, which are pro-forma for Bay Equity Home Loans.

# Redfin Acquired Bay Equity Home Loans (cont.)

## Select Transaction Commentary

Our first priority is connecting Redfin's approximately 2,400 lead agents to our 400 loan officers, so we can help Redfin's customers win in this competitive real estate market. Being a part of Redfin will help us meet customers more efficiently, which means we can give Redfin homebuyers competitive rates while delivering a seamless experience from pre-approval to close. We don't expect Redfin's agents to recommend us to customers because we're part of the same company, but because of the value and service we deliver. Aligning with Redfin recognizes our 14 years of strategic growth nationwide and puts us on a trajectory to become a top 10 lender.

—Brett McGovern, CEO, Bay Equity



As homebuyers struggle with affordability and bidding wars, it's more important than ever for lenders and brokers to work together on every customer's offer. In dozens of markets, Bay Equity and Redfin field organizations have already met, and the difference in our agents' enthusiasm about recommending a Redfin mortgage to their customers is night and day: because Bay Equity has hundreds rather than dozens of loan officers, because Bay Equity supports every type of loan, because Bay Equity was already one of Redfin customers' top-rated lenders. But the biggest reason we expect to hit the ground running is just how much the two teams have already enjoyed working together. Redfin folks have come out of every meeting saying 'that was awesome.' There are many ups and downs ahead, but since signing the agreement in January, we've only felt better about it, and how much value it can deliver for our customers and shareholders alike.

—Glenn Kelman, President & CEO, Redfin



## Strategic Rationale

### REDFIN

Redfin is a technology-powered residential real estate company. Redfin has closed 2,644 loans and has an origination volume of \$982B in 2021. The company operates in 24 states and employs approximately 250 people.

### HOME LOANS bay equity

Bay Equity is a licensed mortgage lender that provides a full product suite, including VA, FHA, and jumbo loans. The company has closed 25,338 loans and had an origination volume of \$8.5B in 2021. The company operates in 42 states and employs approximately 1,200 people.

### Scaling Redfin's Brokerage

At nearly 10 times the size of Redfin's existing lending business, Bay Equity helps match the scale of Redfin's nationwide brokerage of approximately 2,400 agents, increasing the number of brokerage customers whose homes Redfin can finance.

### Acquire Better Terms for Loans

Given its scale, Bay Equity can be more efficient at producing loans and can get better terms when selling those loans to investors. These advantages will let Redfin generate more profit from each loan while keeping rates low for its customers.

### Reduce Investment in Lending Software

By using Bay Equity's loan-origination system, Redfin will be able to reduce its 2022 investment in lending software. Bay Equity has generated positive net income for each of the past three years.

# Alfred Acquired RKW Residential and Raised \$125M

## Transaction Overview




- On March 8, Alfred announced it had acquired RKW Residential.
- The acquisition speeds adoption of Alfred Operation System (AOS) to RKW's 30,000 single-family and multi-family rentals.
- Alfred raised \$50M in a mix of debt and equity to finance the transaction and has access to up to an additional \$75M for future acquisitions. Rialto Capital led the funding round, which comes on the heels of a Series C \$42 million round in October 2020.
- RKW Residential is a fast-growing property management firm with 30,000 single-family and multi-family rentals.

## Select Transaction Commentary


“...you want more for your money. More service, more income, more efficiency, more community, and you want it in one seamless experience. By acquiring RKW, we can more deeply deploy technology to learn, innovate and continually elevate the rental experience for all.”

–**Marcela Sapone**,  
Co-Founder & CEO,  
Alfred




“RKW and Alfred share a people-first philosophy... Together with Alfred, we'll revolutionize how we approach property management, with a focus on using the latest technology and resident-focused innovation.”

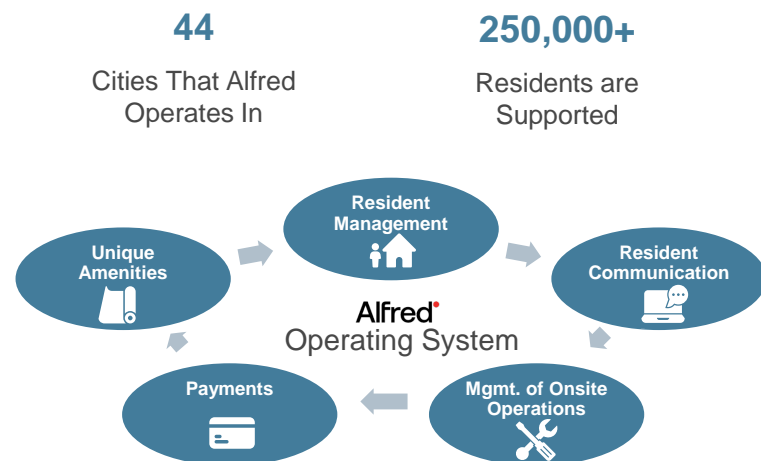
–**Marcie Williams**,  
President,  
RKW



## Alfred Overview

<b>Headquarters</b>	New York, NY
<b>Founded</b>	2015
<b>Description</b>	Developer of resident management software designed to deliver in-home support and local experiences. The company's platform assigns a personal home manager that allows users to make requests such as book home services, enabling residents to operate various services through a single platform.
<b>Select Current Investors</b>	     

## Alfred Key Metrics and Product Offerings

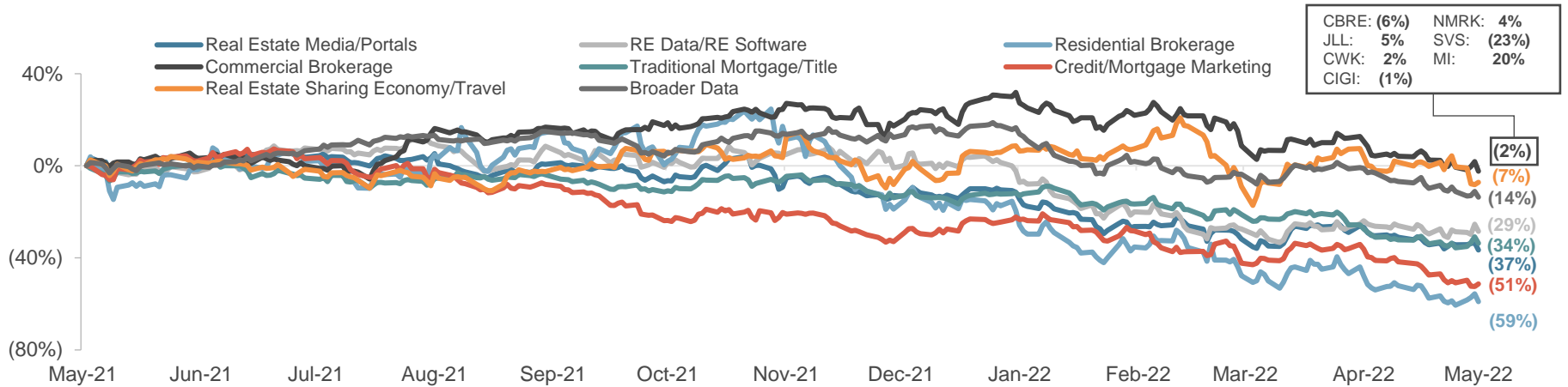




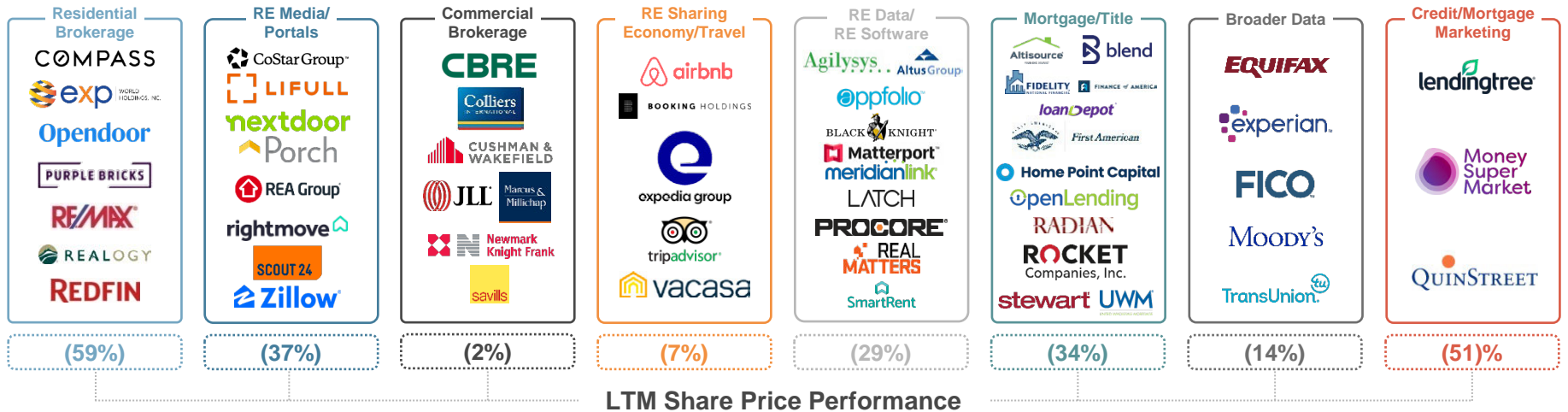
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# PropTech Public Company Performance

## LTM Share Price Performance

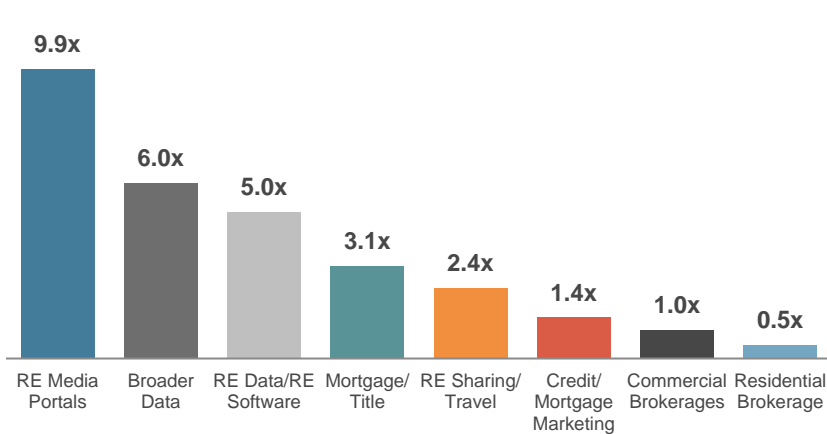


## Public PropTech Ecosystem

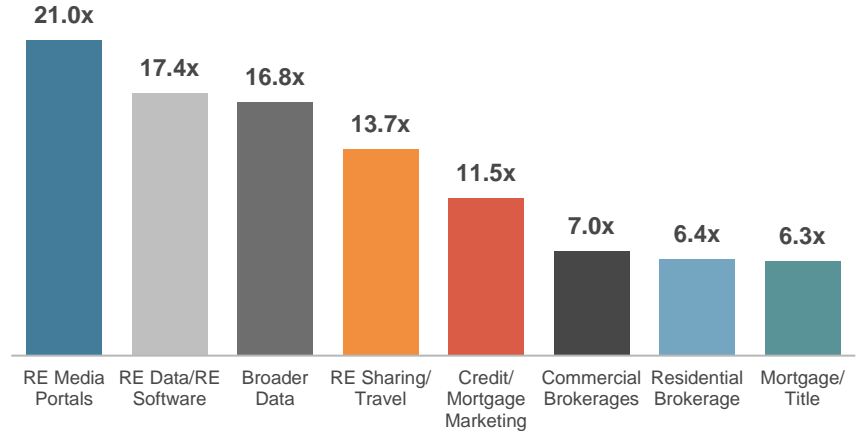


# PropTech Public Company Valuation

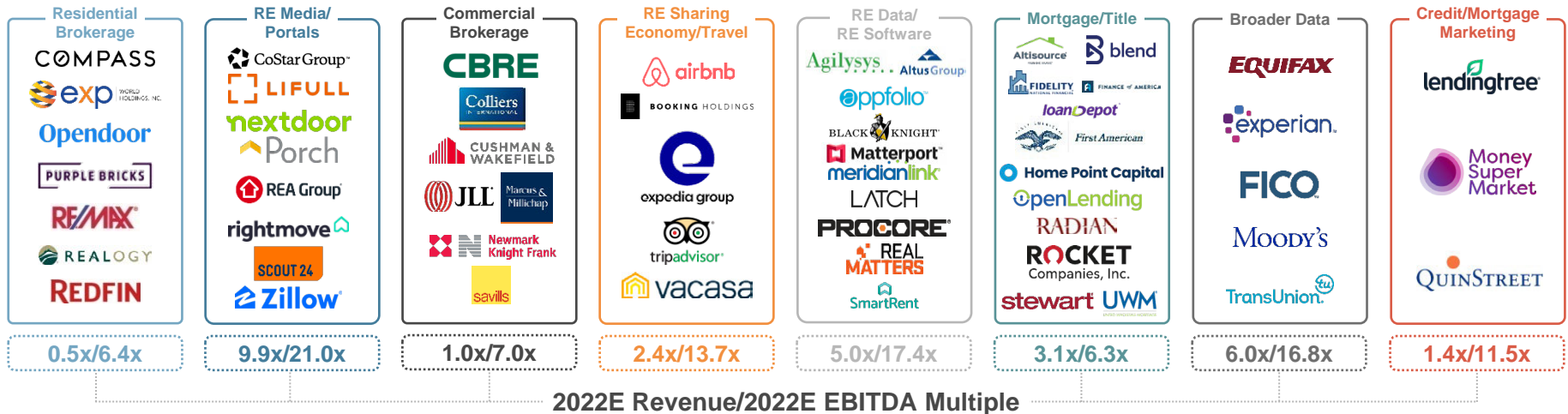
## Enterprise Value/2022E Revenue



## Enterprise Value/2022E EBITDA



## Public PropTech Ecosystem



Source: S&P Capital IQ as of 5/5/2022.  
 Note: Multiples represent median value of sector group.

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# Leading Independent, Global Advisory Firm



Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

**2,200+**  
Employees

**36**  
Locations

**\$6 Billion+**  
Market Cap



**~\$2 Billion**  
Annual Revenue

**~25%**  
Employee-Owned

**No**  
Debt

## Corporate Finance

- No. 1 Global M&A Advisor
- Leading Capital Markets Advisor Raising More Than \$100 Billion in Past Five Years

### 2021 Investment Banking Rankings All Global Transactions

Rank	Advisor	Deals
1	Houlihan Lokey	549
2	Goldman Sachs	511
3	JP Morgan	508

Source: Refinitiv.  
Excludes accounting firms and brokers.

## Financial Restructuring

- No. 1 Global Restructuring Advisor
- \$3.0 Trillion of Aggregate Transaction Value Completed

### 2021 Global Distressed Debt & Bankruptcy Restructuring Rankings

Rank	Advisor	Deals
1	Houlihan Lokey	63
2	Rothschild	38
3	Moelis	34

Source: Refinitiv.

## Financial and Valuation Advisory

- No. 1 Global M&A Fairness Opinion Advisor
- 1,000+ Annual Valuation Engagements

### 2002 to 2021 Global M&A Fairness Opinion Advisory Rankings

Rank	Advisor	Deals
1	Houlihan Lokey	952
2	JP Morgan	890
3	Duff & Phelps, A Kroll Business	882

Source: Refinitiv.  
Announced or completed transactions.

## Financial Sponsors Coverage

- No. 1 Global Advisor to Private Equity Firms
- 1,000+ Sponsors Covered Globally

### 2021 Most Active Global Investment Banks to Private Equity Firms

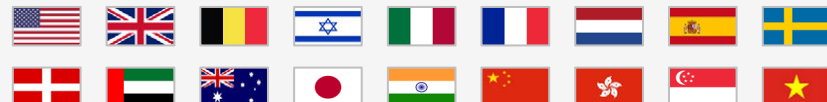
Rank	Advisor	Deals
1	Houlihan Lokey	323
2	Deloitte	218
3	William Blair & Company	183

Source: PitchBook.



Houlihan Lokey acquired GCA in October 2021, significantly expanding the firm's geographic reach in Europe and Asia and creating the most active global M&A advisory firm.

## Combined Global Presence:



# Houlihan Lokey Is the Trusted Advisor to More Top Decision-Makers Than Any Other Independent Global Investment Bank

## 2021 M&A Advisory Rankings Global Technology Transactions

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>124</b>
2	PricewaterhouseCoopers	118
3	Goldman Sachs	114
4	KPMG	108
5	JP Morgan	91

Source: Refinitiv.

## 2021 Investment Banking Rankings All Global Transactions

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>549</b>
2	Goldman Sachs	511
3	JP Morgan	508
4	Rothschild	437
5	Morgan Stanley	393

Source: Refinitiv. Excludes accounting firms and brokers.

# No. 1

Global M&A Advisor

# No. 1

Global M&A Fairness Opinion  
Advisor Over the Past 20 Years

# No. 1

Global Restructuring Advisor

# Leading

Capital Markets Advisor

# 1,400+

Transactions Completed Valued at  
More Than \$3.0 Trillion Collectively

# 1,000+

Annual Valuation Engagements



# Houlihan Lokey's Tech M&A Team Is the Global No. 1 With Unparalleled Reach

## North America

- Atlanta
- Boston**
- Chicago
- Dallas
- Houston
- Los Angeles**
- Miami**
- Minneapolis
- New York**
- San Francisco**
- Washington, D.C.

## Europe and Middle East

- Amsterdam
- Dubai
- Frankfurt**
- Laussane
- London**
- Madrid
- Manchester**
- Milan**
- Munich
- Paris
- Stockholm**
- Tel Aviv**
- Zurich

## Asia-Pacific

- Beijing
- Fukuoka
- Ho Chi Minh City
- Hong Kong
- Mumbai**
- Nagoya
- New Delhi
- Osaka
- Shanghai
- Singapore
- Sydney
- Tokyo**



Local Technology team.

\*According to data provided by Refinitiv.




# How Houlihan Lokey Can Help

Our firm is extremely well equipped to help our clients navigate uncertain times. We respond quickly to challenging situations and are constantly helping clients to analyze, structure, negotiate, and execute the best possible solutions from both a strategic and a financial perspective.

## What We Offer

<p>1</p>  <p>Corporate Finance</p>	<ul style="list-style-type: none"> <li>Mergers and Acquisitions</li> <li>Capital Markets</li> <li>Private Funds Advisory</li> <li>Board Advisory Services</li> </ul>	<p>We are widely recognized as a leading M&amp;A advisor to the mid-cap and have long-standing relationships with capital providers, including commercial banks and other senior credit providers, insurance funds, asset managers, and mezzanine fund investors. Few other investment banks maintain the breadth of relationships and capital markets intelligence that we do.</p>
<p>2</p>  <p>Financial Restructuring</p>	<ul style="list-style-type: none"> <li>Company Advisory</li> <li>Special Situations</li> <li>Distressed M&amp;A</li> <li>Liability Management</li> <li>Creditor Advisory</li> </ul>	<p>We have the largest restructuring practice of any global investment bank. Since 1988, we have advised on more than 1,000 restructuring transactions (with aggregate debt claims in excess of \$3.0 trillion). We served as an advisor in 12 of the largest 15 bankruptcies from 2000 to 2021.</p>
<p>3</p>  <p>Financial and Valuation Advisory</p>	<ul style="list-style-type: none"> <li>Portfolio Valuation and Fund Advisory</li> <li>Transaction Opinions</li> <li>Corporate Valuation Advisory Services</li> <li>Transaction Advisory Services</li> <li>Real Estate Valuation and Advisory</li> <li>Dispute Resolution Consulting</li> </ul>	<p>Over nearly four decades, we have established ourselves as one of the largest financial and valuation advisory firms. Our transaction expertise and leadership in the field of valuation help inspire confidence in the financial executives, boards of directors, special committees, investors, and business owners we serve.</p>

## Why We're Different

- |  |  |   |  |  |  |
|--|--|---|--|--|--|
|  <p>No. 1 for U.S. and Tech M&amp;A</p> |  <p>Significant Experience With Financing Markets</p> |  <p>Senior-Level Commitment and Dedication</p> |  <p>Deep, Industry-Specific Expertise</p> |  <p>Superior Work Product/Technical Abilities</p> |  <p>Creativity, Imagination, Tenacity, and Positivity</p> |
|--|--|---|--|--|--|

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