

Real Estate Funding

# 2020 Q3 Highlights



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[t360.com](https://t360.com)



# Q3 2020 YTD Highlights

Two major effects are apparent in reviewing investment in real estate technology in 2020:

- COVID-19 and the economic shutdown have depressed or delayed funding events
- Funding in 2019 included several very significant, mostly late-stage, funding rounds that totaled \$1.6 billion for iBuyers Offerpad, Knock, OpenDoor, Orchard and Flyhomes

Reviewing year-over-year trends shows funding is significantly down in 2020 YTD in quantity of companies funded and total dollars invested; however the 2019 iBuyer funding effect is notable as well:

- 2020 YTD total real estate funding is 30% of full-year 2019
- Excluding the effects of the \$1.6 billion of iBuyer funding, 2020 YTD is 54% of 2019

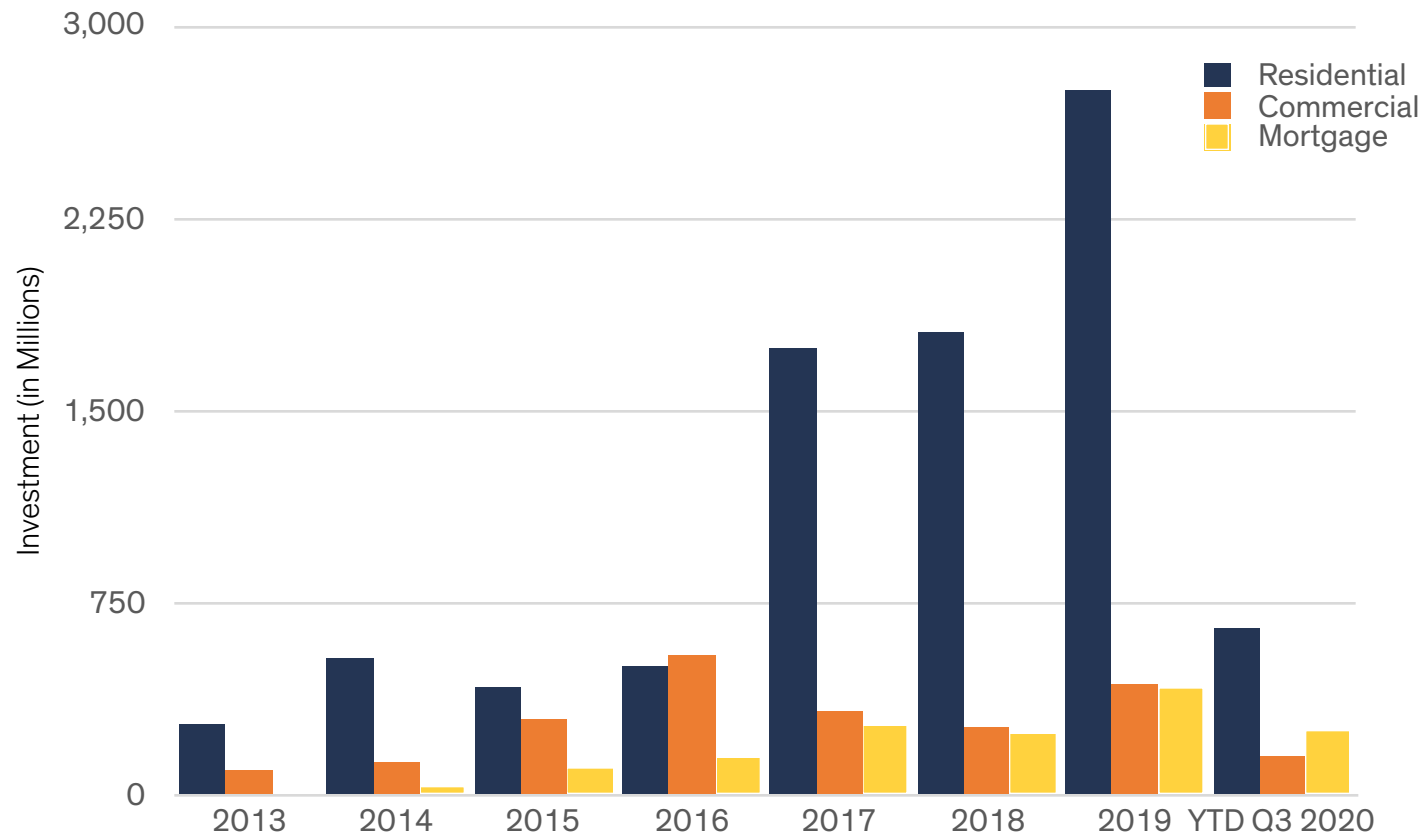
There has been strong M&A activity in 2020 YTD, particularly by strategic buyers in residential real estate (including rental):

- CoStar Group continued to be active, acquiring RentPath in February and Ten-X in May
- OJO Labs acquired Movoto's residential real estate search site and collaboration platform in June



# Investment by Category

Funding Down Q3 2020 YTD Across All Categories



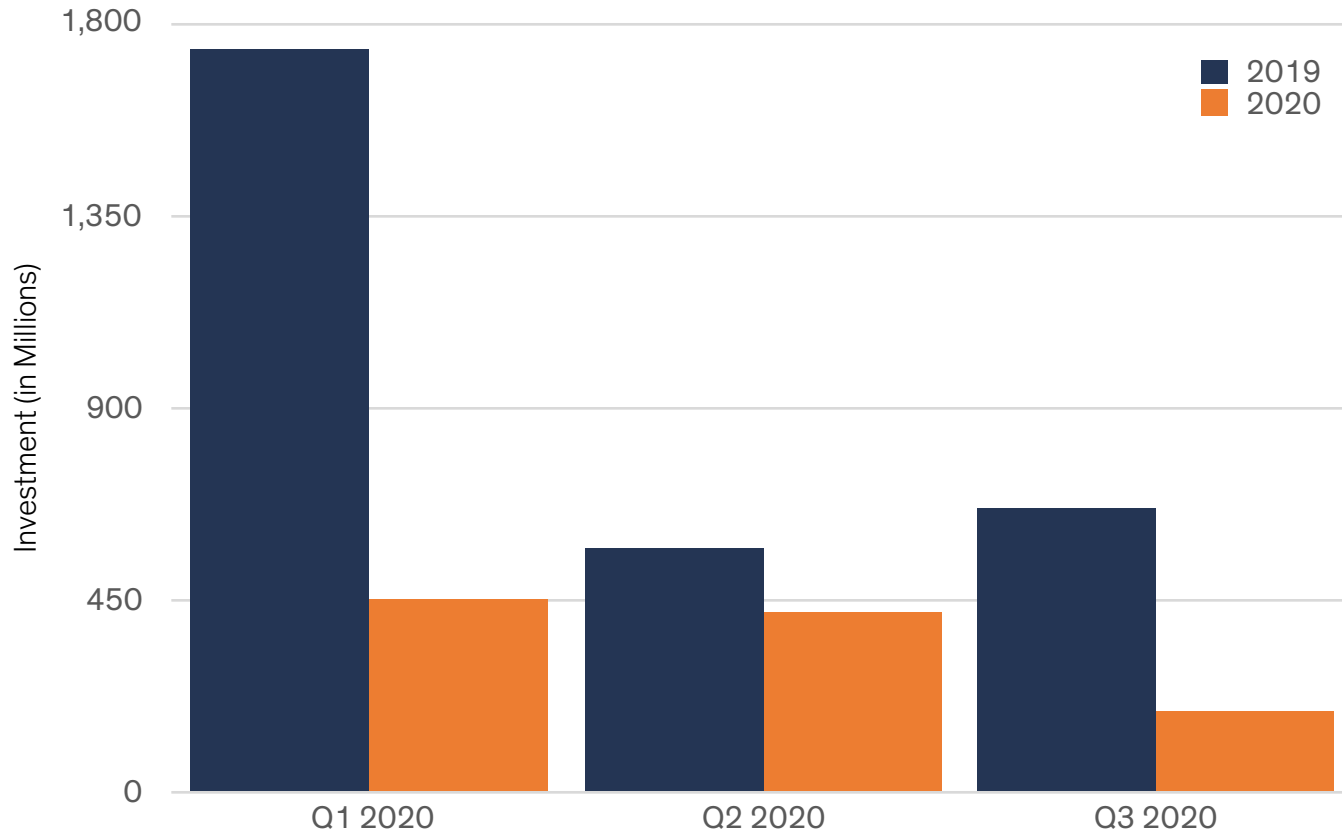
## 2020 YTD as % of 2019 Full-year

Residential	24%
Commercial	34%
Mortgage	62%



Source: T3 Sixty with Crunchbase data (crunchbase.com)

# Investment by Quarter



- Q1 2019 funding included rounds in excess of \$300M for OfferPad, Knock and OpenDoor, totaling nearly \$1.3B. Q1 2020 was on par with 2019 excluding these funding events.
- Overall, 2020 continues to lag behind 2019 record funding levels.

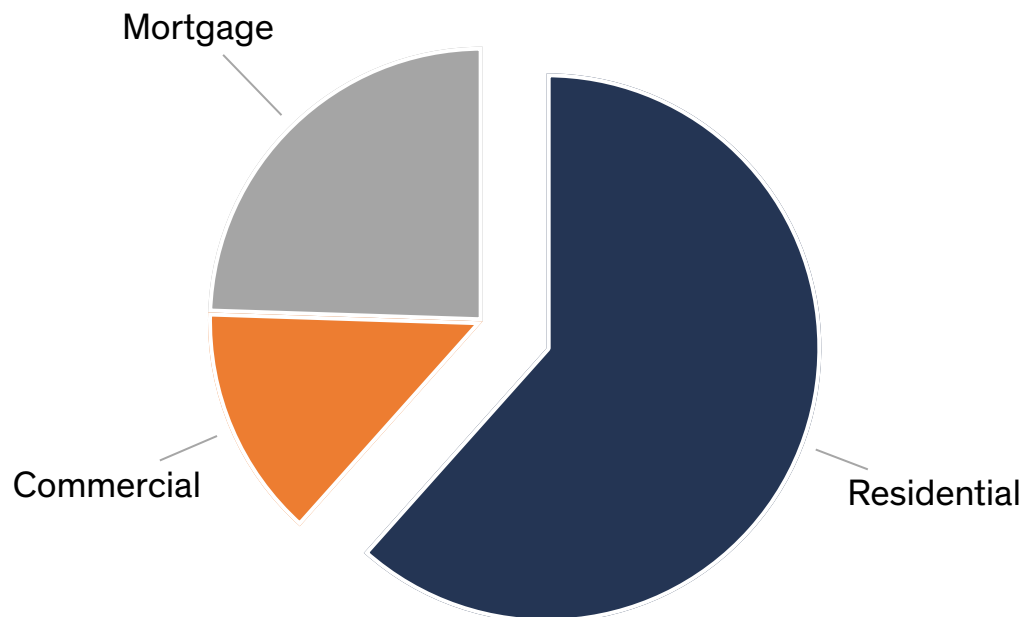


Source: T3 Sixty with Crunchbase data (crunchbase.com)

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# Investment by Category

## Residential Real Estate



Q3 2020 YTD Funding

## Select Q3 2020 YTD Residential Financing (\$M)

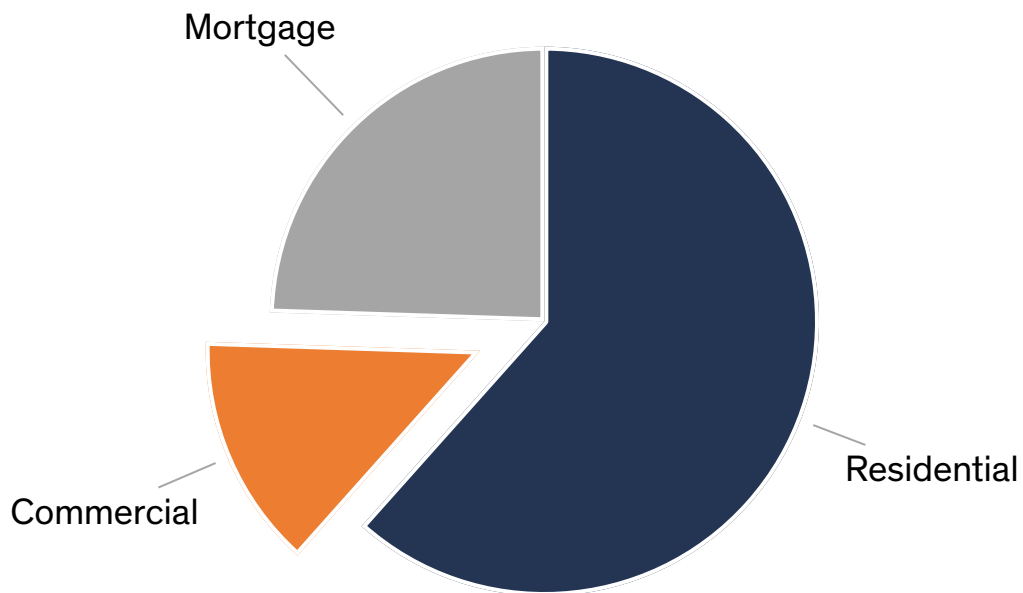
Company	2020 Funding	Funding To Date	Select Investors
<b>homeward</b>	\$110.0	\$24 Equity/ 106 Debt	KLEINER PERKINS.
<b>Orchard</b>	69.0	110.0	juxtapose
HouseCanary	65.0	105.0	alphaedison
ojolabs	62.5	65.0	LiveOak VENTURE PARTNERS
zumper	60.0	62.5	KLEINER PERKINS.



Source: T3 Sixty with Crunchbase data (crunchbase.com)










# Investment by Category

## Commercial Real Estate



Q3 2020 YTD Funding

## Select Q3 2020 YTD Commercial Financing (\$M)

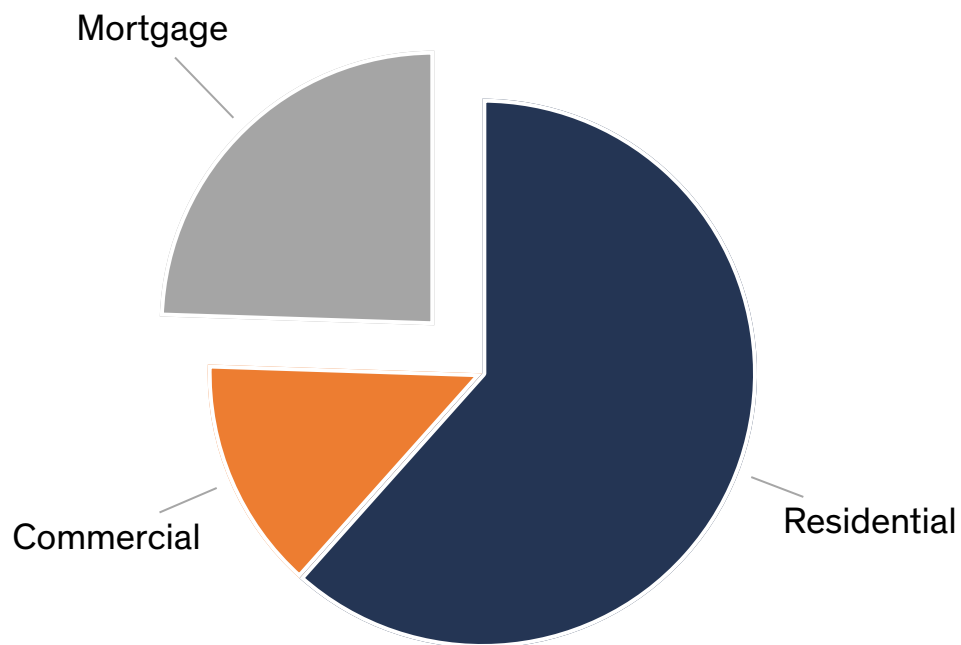
Company	2020 Funding	Funding To Date	Select Investors
 roofstock	\$50.0	\$132.2	 khosla ventures
 CREXi	30.0	54.0	 LERER HIPPEAU
 fetch	18.0	32.0	 SILVERTON PARTNERS
 cherre	16.0	25.0	 NAVITAS CAPITAL
 aquicore	14.0	33.5	 FIFTH WALL



Source: T3 Sixty with Crunchbase data (crunchbase.com)

# Investment by Category

## Mortgage



Q3 2020 YTD Funding

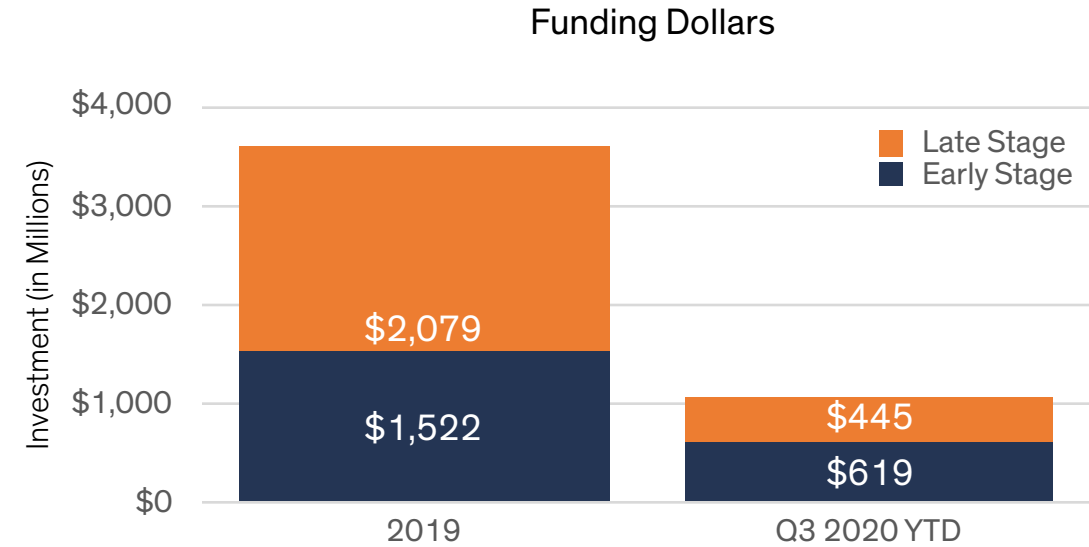
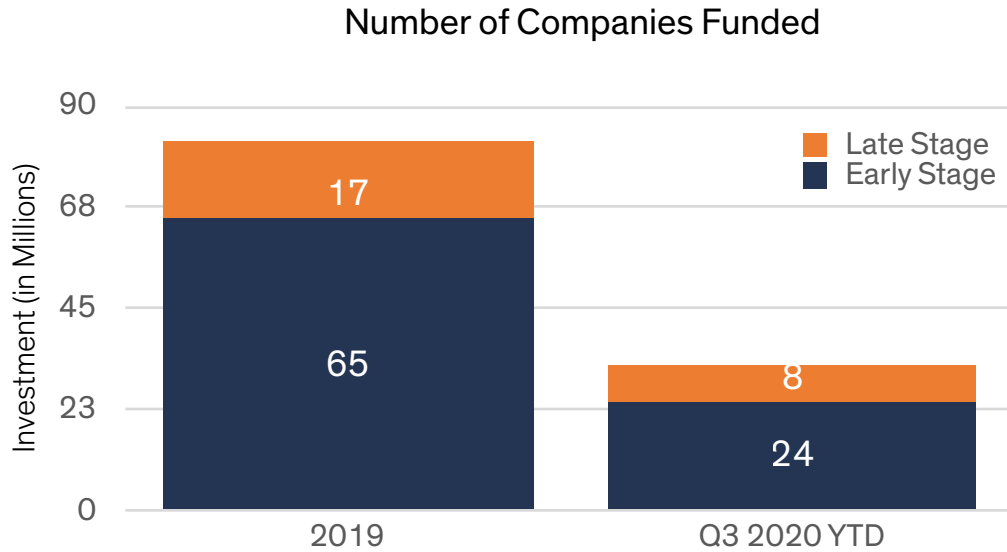
## Select Q3 2020 YTD Mortgage Financing (\$M)




Company	2020 Funding	Funding To Date	Select Investors
<b>Noah</b>	\$150.0	\$156.0	Union Square Ventures
blend	75.0	365.0	Lightspeed
Landed	10.5	22.1	ULU VENTURES
brace.	10.0	14.8	POINT72 VENTURES
maxwell	5.0	5 Equity/ 5 Debt	ROUTE SIXTY-SIX VENTURES



Source: T3 Sixty with Crunchbase data (crunchbase.com)

# Investment by Stage







- 4%  Proportion of late-stage v. early-stage funding
- 10%  Average amount of early-stage funding rounds in 2020 is \$26M
- 55%  Average amount of late-stage funding rounds in 2020 \$56M
  - 2019 included several late-stage funding rounds over \$300M each for iBuyer companies



Source: T3 Sixty with Crunchbase data (crunchbase.com)



# 2020 YTD Funding Exceeding \$50M

Company	Funding \$ (M)	Category	Funding Type	Late Stage Funding
<b>Noah</b>	\$150.0	Mortgage	Series B	
<b>REDFIN</b>	110.0	Residential	Equity (Post IPO)	◆
<b>homeward</b>	105.0	Residential	Debt/Equity	
 HouseCanary	65.0	Residential	Series C	◆
 ojo labs	62.5	Residential	Series D	◆
 zumper	60.0	Residential	Series D	◆
 roofstock	50.0	Commercial	Series D	◆









Source: T3 Sixty with Crunchbase data (crunchbase.com)

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# Mergers & Acquisitions

## Significant 2020 Activity Among Strategic Buyers

Buyer	Target	Announced Date
		9/20
		8/20
		7/20
		6/20
		6/20
		6/20
		5/20
		4/20
		4/20
		3/20



Source: T3 Sixty, company announcements and Crunchbase data (crunchbase.com)

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# The Team



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## Recent Client Transactions



*Working with T3 Sixty on the acquisition of First was a great fit. They felt like a natural part of our team, quickly brought additional parties to the table, and tactfully helped us navigate each decision throughout the process. —Mike Schneider, Co-Founder & CEO, First.io*



# About T3 Sixty

T3 Sixty is a trusted advisor and management consultancy in the residential real estate brokerage industry. Clients include franchisors, brokerages, Realtor associations, MLS organizations and technology companies. Whether reorganizing, expanding or innovating, leaders and entrepreneurs rely on T3 Sixty's extensive experience and objective, analytical research to effect intelligent change.

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