

Proptech in Canada 2023 Report

November 2023

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About PropTech Collective

We are a volunteer-run collective of real estate professionals, technologists, city builders, and entrepreneurs who believe technological innovation can change the built world for the better.

Coming from startups, large enterprises and everything in between, we know how hard it can be to create meaningful change. We also recognize silos exist across the real estate, technology, and public sectors, and important voices are being left out of the conversations.

That's why we founded PropTech Collective in 2019. We see these challenges as an opportunity to come together to find better solutions and build more inclusive, resilient, and sustainable communities in Canada and beyond.

35+

Events organized

In Toronto, Calgary, Montreal,
and Vancouver

2,700+

Event attendees

5,000+

Community members

10,000+

Downloads of our previous reports



Foreword

We're thrilled to introduce the third edition of our annual proptech report, offering a comprehensive overview of the industry landscape in Canada. This report includes crucial funding statistics, highlights from recent M&A activities, and insightful projections on upcoming trends that will shape the real estate and proptech sector. Our aim is to bridge the gap in available information, by bringing together the stakeholders - founders, investors, and real estate professionals that are core to this ecosystem.

Since June 2022, the industry has shown significant maturation, even in a difficult fundraising and economic environment:

- 50+ startups added to the Proptech in Canada database
- 30+ rounds of more than \$10M
- The minimum raised to make the Top 25 Funded Startups List is now \$30M, up from \$15M in our last report
- More than \$1.5B raised across all companies

Amid challenging market conditions, innovation is more important than ever. Embracing technology is crucial for resilience and adaptability, ensuring the sector remains competitive and poised for sustainable growth. We believe Canada remains a strategically advantageous hub for international proptech innovation, with the presence of globally acclaimed real estate owners and operators, supportive entrepreneurial policies, and a rich talent pool.

This report owes its existence to the invaluable insights and support we have garnered from our interactions with the community. We extend our heartfelt gratitude to all the founders, investors, and other stakeholders who have played an instrumental role in bringing our findings to life..

We hope that you enjoy the report.

Stephanie, Evin, Peter, and Carlos

[Join us! Subscribe and become a member today](#)

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This report wouldn't have been possible without **Rachel Yuen** - thank you for your many contributions!

Sponsors

Thank you to the founders, real estate companies, investors, and PropTech Collective committee members, and many others, who contributed to this report.



MEDIA PARTNER



Media plays a pivotal role in promoting the tech community. Raising awareness about tech startups not only amplifies their market presence but also facilitates networking opportunities, attracting crucial resources and support that are vital for sustainable growth and success.

FROM OUR COMMUNITY SPONSOR, PWC CANADA:

//

At a time of industry headwinds ranging from interest rates and financing issues to rising construction costs and productivity challenges, the need to adopt digital solutions that increase efficiencies and grow revenues has become even more pressing. When we add the impact of generative AI, it's clear that technology, and the proptech companies that bring it to life, will play a key role in supporting the growth of Canada's real estate industry.

PwC Canada is proud to support PropTech Collective, as we all work towards solutions that solve business challenges and create new opportunities for Canadian real estate.

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FRANK MAGLIOCCO
REAL ESTATE LEADER
PWC CANADA



Thank you to our supporters

PROPTech MEMBERS



INDUSTRY MEMBERS



FROM OUR COMMUNITY SPONSOR, RBCx:

//

The proptech market is integral to generating a positive impact on Canadians at-large. This community of founders develops innovative solutions to address key issues such as home affordability and climate change.

RBCx is committed to scaling proptech startups by offering accessible support to every area of their business, from ideation to commercialization and beyond.

//



ROHIT SUKHIJA
VP, Banking RBCx



Why Canada?

Canada is becoming a key region for real estate innovation. With a growing tech ecosystem, as well as an influential real estate and construction industry, the country is creating an incredible home for the next generation of proptech startups.

CANADIAN REAL ESTATE HAS OUTSIZED INFLUENCE NATIONALLY & GLOBALLY

10+ leading **global institutional real estate investors** headquartered across the country



>20% of **national GDP** generated by the construction and real estate industry

54% of **active cranes** in the top North American cities are in **Calgary and Toronto**; Toronto, who has doubled its crane count since 2020, has the most at 240 cranes, this is almost 5 times the number that the next city on the list has

A THRIVING TECHNOLOGY ECOSYSTEM

+100 **incubators and accelerators** across the country to support founders and startups

150k **tech professionals** across the country, an increase of 16% since 2020

32k **tech workers** moving to Canada over the last year

21 companies who have reached **unicorn status** (a valuation of greater than \$1B)

FRIENDLY GOVERNMENT POLICIES & FUNDING SUPPORT

+465k annual target for **newcomers to the country** that will increase the talent pool

\$550M **Affordable Housing Innovation Fund**, launched by CMHC and to be deployed over the next six years

\$3B in **SR&ED tax incentives** annually, awarded by the government

\$75k available per company to **develop R&D collaborations** through partnerships in foreign markets by CanExport

01

**The Status of
PropTech
in Canada**

Summary of Section 1: The Status of Proptech in Canada

After analyzing ~**500 active proptech startups in Canada** innovating within commercial real estate, residential real estate, and construction tech, we have found the following:

80%

are located in top 5 hubs, including Toronto, Vancouver, Montreal, Calgary, Kitchener – Waterloo

40%

of these companies have been founded within the past 5 years

>\$1.5B

raised by companies since June 2022

Top 5 Most Funded Startups

Hostaway  **GoBolt** NEXII

 **JOBBER** **nesto**

Over 30 Rounds >\$10M

during the last 18 months, an indication that the industry nationwide is entering a phase of maturation; the threshold for the Top 25 raised has increased from \$15M to \$30M

2023 Canadian Real Estate Technology – Construction

Design & Plan

Architecture & Design

Augmenta collegium

Cost & Estimation

Bid Management

bidmii

Project Planning

Alternative & Advanced Materials

alterbeta

CarbiCrete

Created by Proptech Collective

To learn more, visit proptechcollective.com

Prefab, Modular & 3D Printing

CABND R-Hauz

NEXII

Project & Financial Management

Digital Sales Platform

Builders & Developers

Field Tools

Field Management Software

EXACT

Safety & Risk Management

Marketplaces

Jobs & Community

2023 Canadian Real Estate Technology – Residential

Find Property

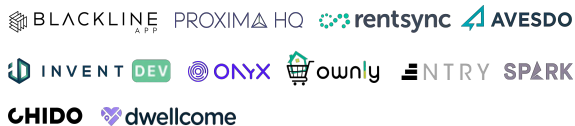
Listings & Marketplace



Tech-Enabled Real Estate Brokerage



Marketing & Sales Tools



Agent Tools



Proptech Collective

Created by Proptech Collective
To learn more, visit proptechcollective.com

Evaluate & Finance Property

Alternative Financing



Property Data & Appraisal



Digital Mortgage Providers & Lender Technology



Close on Property

Transaction Management



Title & Escrow



Legal



Manage Property

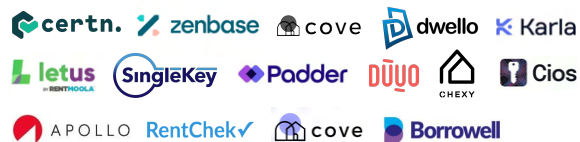
Property Management



Home Improvement & Maintenance



Tenant Screening, Payment, and Insurance



Asset Utilization

Home Automation & IoT



Co-living



2023 Canadian Real Estate Technology – Commercial

Find Property

Viewing & Imagery



Listings & Marketplace



Evaluate & Finance

Equity Financing Platforms



Property Data & Appraisal



Lending Technology



Transaction Management & Underwriting



Manage Property

Building Automation & IoTs



Property Management



Energy Management & Sustainability



Tenant Engagement & Amenities



Asset Utilization

Co-working & Office Space



Parking, EV & Mobility



Storage & Logistics



Retail



Hospitality & Short-term Rental



Indoor Navigation & Occupancy Analytics

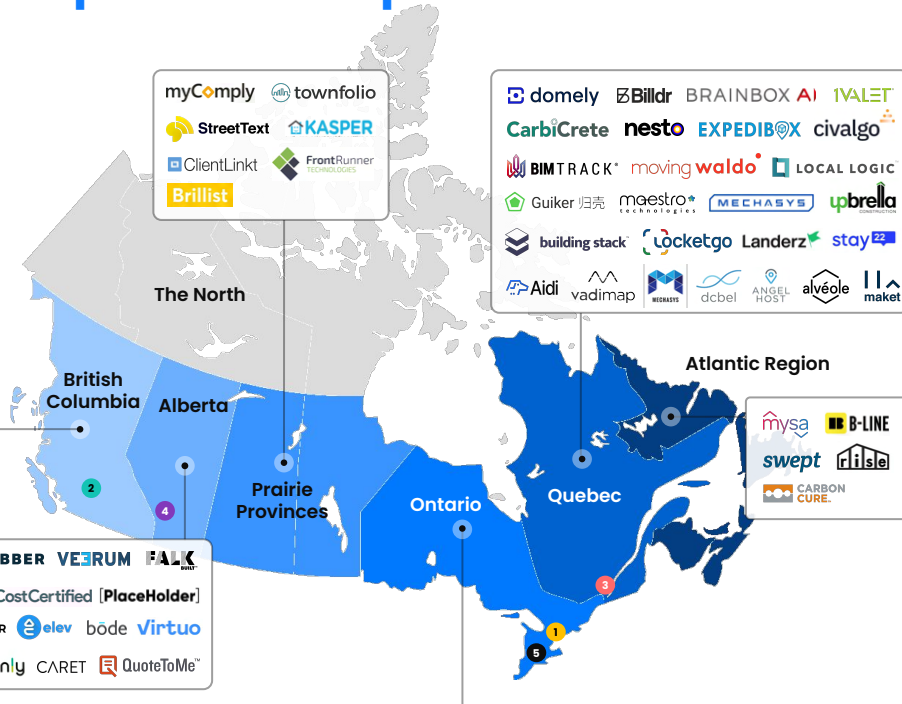


Created by Proptech Collective
To learn more, visit proptechcollective.com

Where Canadian Proptech Startups are Located

~46%

of Proptech startups in Canada are located in the **Greater Toronto Area.**



VIEXII **addy** **BuildDirect**
certn. **eli** **spacelist**
keycafe **operto** **fraction**
Avenue **roomvu** **LeaseyAI**
SPARK **lethub** **OnTraccr**
REITIUM **Audette** **RESAAS**
OXYGEN8 **RoomKeyPMS**
Intelligent City **PROXIMA HO** **OFFERLAND**

THE VILLA LIFE **Augmenta** **ThoughtVire** **vendorpm** **ZOZR** **JOIST** **ShuffleSpace.** **RENT PANDA** **EXACT** **HouseSigma** **Doormat** **Grata** **DÜÜO**
POPPY **L A U F T** **ourboro** **Promise Robotics** **Padder** **AVESDO** **EnPowered** **ratehub.ca** **innerspace** **Bridgit** **Bolt** **perch**
TERANET **ALTRIO** **flexday** **Pine** **brickeye** **LOTLY** **CHARGELAB** **adaptris** **parity** **Merö** **SWTCH** **Ryna** **Syzl** **roofr** **Key**
Constellation **KITCHEN HUB** **Smart** **ONE** **Swyft** **justo** **AltusGroup** **PEAK POWER** **TREAD** **LOCOMOBI** **REAL MATTERS** **REATOR** **CHEXY** **TOOLBOX** **GoFor** **Requity** **irestify** **AVIDBOTS**

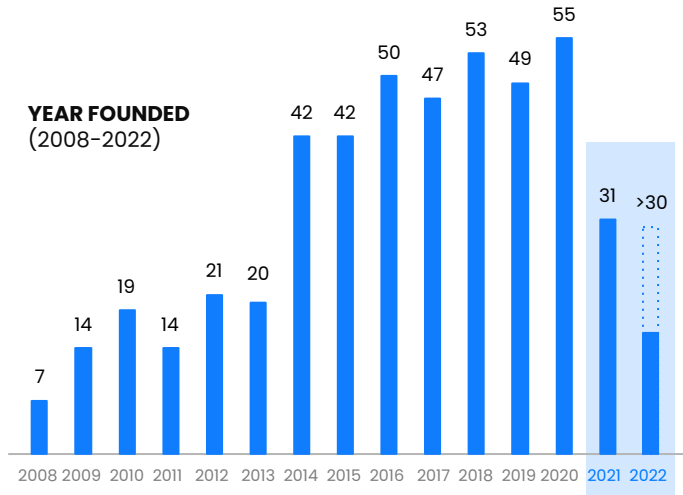
DISTRIBUTION BY REGION

Province	Count	%
Ontario	279	56%
British Columbia	91	18%
Quebec	65	13%
Alberta	44	9%
Prairies	12	2%
Atlantic Region	12	2%
Grand Total	503	100%

- Distribution across Canada remains consistent with last year's findings
- Top 5 hubs remain the regions around Toronto, Vancouver, Montreal, Calgary, and Kitchener-Waterloo






When Canadian Proptech Startups Were Founded

NUMBER OF NEW STARTUPS PER YEAR



~75% of Canadian proptech startups were founded in the past decade.

NEWCOMERS

Segment	Total Funding	Year Founded
 Circular Construction Project Planning	\$2.0M	2022
 Tenant Payments	\$1.3M	2022
 Tech-enabled Real Estate Lawyer	\$1.2M	2022
 Digital Mortgage & Lender Technology	\$5.0M	2021
 Agent & Broker Tools	\$0.5M	2021



The opportunity to transform the residential real estate transaction in Canada is huge. With so many stakeholders involved in the process, we've seen how technology can play a critical role in increasing transparency, efficiency, and improving communication through each property closing.



ROBERT SAUNDERS
CEO & Co-Founder



SHEIDA SHAHI
CEO & Co-Founder

We need innovation and technology to move the industry to a circular future to reduce GHG emissions, strain on natural resources and supply chains, and create a resilient global economy. Many Canadian real estate companies are focused on building a sustainable future, and we've found some great early partners here.



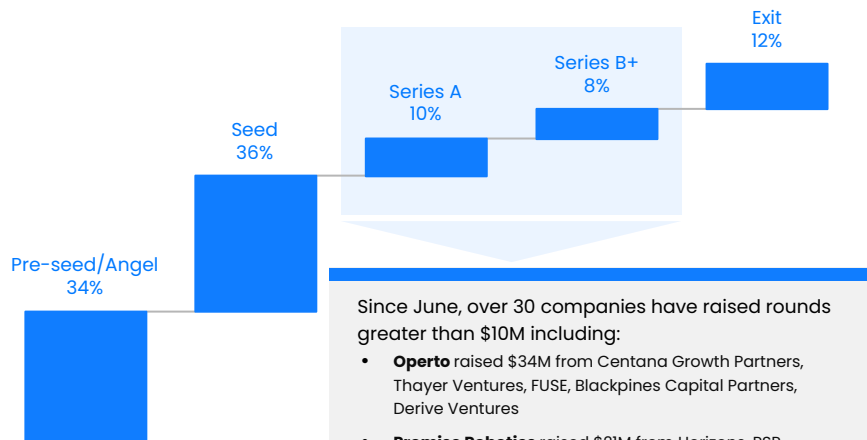
Note: Limited data is available on startups in their early years, which typically results in under-reporting of companies founded within the previous 2+ years. For 2022 and 2023, a forecast has been added to account for the timing lag.

Top Newcomers includes the highest funded companies founded in 2021 and 2022.

Source: Pitchbook; Crunchbase; Company Press Releases; Proptech Collective Analysis. Currency is CAD unless otherwise stated.

Key Investment Highlights

DEAL SHARE BY FUNDING STAGE



Since June, over 30 companies have raised rounds greater than \$10M including:

- **Operto** raised \$34M from Centana Growth Partners, Thayer Ventures, FUSE, Blackpines Capital Partners, Derive Ventures
- **Promise Robotics** raised \$21M from Horizons, PSP Investments, Radical Ventures, Alate, Relay Ventures
- **Intelligent City** raised \$22M from from BDC, Greensoil PropTech Ventures, UIT Growth Equity, and Fulmer & Company
- **Local Logic** raised \$18M from GroundBreak Ventures, IQ, Band Capital Partners, Cycle Capital, Desjardins Group

~70%

of companies are in the seed stage or earlier

TOP 4 FUNDING ROUNDS IN 2023

Hostaway



Vacation Rental Management

Founded in 2015 / Toronto, ON

Raised **\$238M** (Series B) from PSG Equity, who was the sole investor in the round

JOBBER



Home Service Software

Founded in 2010 / Edmonton, AB

Raised **\$137M** (Series D) led by General Atlantic, with participation Summit Partners, Version One Ventures, and Tech Pioneers Fund

certn.



Tenant & Background Screening

Founded in 2016 / Vancouver, BC

Raised **\$110M** (Series B) from EDC, B Capital, BMO, Tribe, Inovia Capital, Telstra Ventures, Scribble, Moxxie Ventures, and Gaingels Covalent Ventures

CARBON CURE™



New Materials

Founded in 2007 / Halifax, NS

Raised **\$110M** (Series B) from Blue Earth Capital, Breakthrough Energy Ventures, Taronga Ventures, Amazon's Climate Pledge Fund, Microsoft Climate Innovation Fund, 2150, BH3, and Samsung Ventures

Major Proptech M&As in 2022 & 2023

TOP M&A ACTIVITIES

7 **RATIO.CITY**



RATIO.CITY x ESRI

City Planning & Development Platform

Esri Canada acquired Ratio.City in September 2023. This will enable customers to better collaborate within the land development and planning community, accelerating the design and approval of more affordable housing.



houseful (prev. OJO HOME) x RBC

Residential Real Estate Platform

RBC acquired OJO Canada in February 2023. OJO guides consumers through the home buying journey via customized home search experiences, access to industry experts, and financial resources. The acquisition allows RBC to further support Canadians at each stage of the purchase.



YUHU x HAPPYCO

Multifamily Property Management

HappyCo acquired Yuhu in November 2022. This merger will help streamline the overall resident lifecycle, allow for the capture of more actionable data, create opportunities to enhance resident experiences, and streamline property operations.

ADDITIONAL M&A ACTIVITIES

Target	Acquirer	Date	Target's Segment
PROPERLY	COMPASS Pine	2023-Sept	Tech-enabled Brokerage
HOTELLO	MEWS	2023-April	Hospitality
LMPM	inhabit.	2023-Mar	Hospitality
naborly	SingleKey	2022-Oct	Resident Screening
arextech	Architrave	2022-Sept	CRE Asset Management
ZOOCASA	exp REALTY	2022-Jul	Agent Lead Generation
property.ca	RealServus	2022-Mar	Home Search Tools

Top 25 Top-Funded Proptech Startups in Canada

No.	Name	Segment	Year Founded	Total Raised (CAD \$M)	Last Deal Type
1 NEW	<i>Hostaway</i>	Hospitality	2015	\$ 244M	Later Stage VC
2 ▲4	JOBBER	Home improvement & maintenance	2010	\$ 230M	Later Stage VC
3 -	GoBolt	Storage & Logistics	2017	\$ 222M	Later Stage VC
4 ▼2	NEXII	New materials	2018	\$ 204M	Early Stage VC
5 -	nesto	Digital brokers & lead generation	2018	\$ 196M	Later Stage VC
6 ▼2	certn	Tenant screening & payment	2016	\$ 157M	Series B
7 ▲6	Avidbots	Property management	2014	\$ 144M	Series C
8 ▲1	dcbel	Energy management	2013	\$ 127M	Series B
9 NEW	CARBON CURE	New materials	2007	\$ 125M	Later Stage VC
10 ▲1	BRAINBOX AI	Building automation & IoT	2017	\$ 99M	Later Stage VC
11 ▼3	FALK	New materials & prefab	2018	\$ 84M	Later Stage VC
12 NEW	PEAK POWER	Energy management	2015	\$ 65M	Series A
13 ▲7	operto	Rental management	2016	\$ 61M	Series B

No.	Name	Segment	Year Founded	Total Raised (CAD \$M)	Last Deal Type
14 -	Bridgit	Digital collaboration	2012	\$ 59M	Later Stage VC
15 ▼5	Nobul	Agent-matching	2016	\$ 58M	Series B
16 NEW	ANDORIX	Building automation & IoT	2020	\$ 55M	Early Stage VC
17 ▼1	unreserved	Tech-enabled broker	2020	\$ 51M	Seed
18 NEW	CHARGELAB	Energy management	2016	\$ 49M	Series A
19 ▼7	ZOZR	Construction marketplaces	2015	\$ 47M	Series B
20 NEW	carbon upcycling	Energy management	2014	\$ 46M	Series A
21 ▼7	mysa	Home automation	2014	\$ 44M	Series B
22 ▲2	CarbiCrete	New materials	2016	\$ 39M	Series A
23 NEW	MANIFEST CLIMATE	Energy management	2015	\$ 39M	Series A
24 ▼7	LOCAL LOGIC	Property data & appraisal	2014	\$ 34M	Series B
25 NEW	VEERUM	Digital collaboration	2014	\$ 32M	Later Stage VC

Top Investors in Canadian PropTech Startups

INVESTORS WITH THEIR EYES ON CANADA

Investors with 2+ investments in Canadian proptech startups



CANADIAN PROPTech FUNDS

Proptech-focused funds in Canada continue to expand and play a key role in the supporting the ecosystem. Examples include:



Based in Toronto | Launched 2018
Investing in early-stage proptech in Canada & the US

Select Canadian Portfolio Companies

ALTRIO Doormat vendorm



Based in Toronto | Launched 2015
Impact investing to digitize & decarbonize real estate

Select Canadian Portfolio Companies

ThoughtVire CARBONCURE. sensorsuite



Based in Toronto | Launched 2015
Investing in early-stage proptech globally

Select Canadian Portfolio Companies

CHEXY LOCAL LOGIC virtuo



Based in Toronto | Launched 2015
CVC for Hazelview Investments

Select Canadian Portfolio Companies

Augmenta SuiteSpot Xaba

Top Accelerators

CANADIAN ACCELERATORS



Canada has a very active accelerator ecosystem. While the accelerators are spread across the country, Greater Toronto Area has a strong cluster, followed by Kitchener-Waterloo Area, Montreal, and Vancouver.

CASE STUDY:

STARTUP IN RESIDENCE

Powered by Desjardins

Powered by Desjardins, a leading cooperative financial group in North America, Startup in Residence supports and invests in high-potential technology startups that can make a positive and lasting impact on Canadian communities.

Startup in Residence prepares them to raise funds through an intensive 8-month, high-touch acceleration program that includes 100 hours of personalized guidance tailored to the specific challenges of each startup.

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As a startup accelerator, we take pride in supporting proptech startups due to their role in fostering innovation, promoting sustainability, and providing solutions for the ever-changing real estate sector. This support significantly contributes to both economic growth and technological advancement within the country.

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2022 Proptech Cohort



ERIC MARTIN
MANAGING DIRECTOR

02

**The Past,
Present and
Future of
Proptech**

Charting the Industry: Insights from Innovators, Leaders, and Visionaries

As part of our research on the proptech ecosystem in Canada, we spoke with more than 20 individuals who have had significant influence in shaping the evolving real estate landscape across the country.

These conversations resulted in a diverse range of perspectives on the past, present, and future of our industry. Our heartfelt gratitude to each of these interviewees for generously contributing their time and insights.

PROPTech FOUNDERS



REAL ESTATE LEADERS



VENTURE CAPITAL (VC) INVESTORS



Looking back, what have we learned from experiences in the proptech industry?

PROPTech FOUNDERS

PROVING ROI IS CRUCIAL

Proptech startups have had the most success when they're able to show a clear and measurable ROI. Especially in this challenging macro-environment, customers are highly financially motivated.

CONTINUOUS EDUCATION & PILOTS

Persistent efforts in market education, coupled with engagement through practical applications like short trials or pilots, have been shown to effectively mitigate decision-makers' skepticism. This helps the customer make their purchase.

UNDERSTANDING CUSTOMER PERSONAS IS KEY

Diverse stakeholders, varying real estate ownership structures, a patchwork of regulations, and legacy tech systems increase complexity and create significant challenges for proptech startups. Understanding different real estate personas, from investors to end-users, is vital to building credibility in the industry. It also is key to knowing who the decision maker is that will make calls on technology.

REAL ESTATE LEADERS

A NEED FOR STANDARDIZED DATA

The first step to using new technology is having accurate information. Many real estate firms are still focused on getting access to their own data. This is especially true for companies that have been active acquirers, as each new property could have different technology within it.

COVID AS A TURNING POINT

The shift to work from home during COVID forced real estate companies to quickly embrace tech solutions. After seeing the benefit, many have accelerated their adoption rate and are considering other areas they can digitize.

BUILD, BUY, INVEST

Many real estate companies have developed their own technology in-house where software previously didn't exist. With mixed results, many are re-evaluating what part of the tech and data stack they need to own and manage vs. where to partner with third-party solutions. Some owners have invested in equity rounds of startups that they implemented, especially where they are adding significant value.

VC INVESTORS

LONG(ER) SALES CYCLES

On the B2B side, the adoption cycle from pilot project to company-wide roll out has taken longer than anticipated. Often, expanding across the portfolio, groups, or to new developments requires buy in from different decision makers or time for new projects to launch.

ALIGNING CAPITAL POOLS

The right capital provider must be used depending on business models. The OpCo PropCo model has gained traction to better align funding sources so that venture dollars can fund the operating business and real estate capital can fund any real estate purchases or ownership.

FOUNDERS WITH INDUSTRY EXPERIENCE

Investors have generally seen greater success from founders who have intimate knowledge of the market they're serving, with many of the most successful having worked in real estate before or otherwise brought domain expertise in house through early advisors and key hires.



ROGER POIRIER, CFA
CO-FOUNDER

*Proptech investors should understand that even if their technology provides material financial benefit to potential enterprise customers, the level of disruption that the adoption will create for the organization must be considered. **Many enterprise customers will only initiate one major new implementation per year, which can lead to slower than anticipated growth for portfolio companies.***



HONGWEI LIU
CEO & CO-FOUNDER

*In real estate, the customers can be a lot more discerning for value in the technology that they purchase. Proptech startups need to work harder to make a business case. **It becomes relatively easier to sell when you can prove an ROI.** This is where core infrastructure will continue to stick and the exploratory shiny things won't.*



Today, what factors are influencing the outlook for your company, innovation strategy, or investments?

PROPTech FOUNDERS

REVERSION TO BUSINESS FUNDAMENTALS

There's been a notable shift in the way that founders are thinking about revenue models. Ensuring that the business has positive unit economics and a path to profitability is a necessity, even at the earliest stages.

LONGER FUNDRAISING & SALES CYCLES

In this market, founders are less sensitive to valuation and instead focused on finding true partners. B2B sales cycles also have been slower and some proptech startups are adjusting strategies, i.e. selling into stronger performing sectors within real estate or refining their core customer personas.

TALENT IS TOP OF MIND

In proptech, it's especially important to understand the nuances of the industry and have ability to build relationships. It's a top priority for founders to find and retain individuals that get this.

REAL ESTATE LEADERS

PUSH & PULL FROM MARKET CONDITIONS

The macroeconomic climate is a motivator and a deterrent to invest in new technology. It can make processes better, faster, and more accurate, but it's challenging to give mindshare or budget to these initiatives. It's a delicate balance that organizations are grappling with.

NAVIGATING ASSET CLASS COMPLEXITY

Real estate is fragmented by location, asset type, property characteristics, and more - this impacts the effectiveness of data and technology solutions. There is rarely a silver bullet, so thoughtful roadmapping is necessary before rushing into a solution. Increasing integrations between software is helping this issue.

BUILDING A CULTURE OF INNOVATION

The willingness to innovate has to come from the top. Change management is at the heart of the success of technology adoption, so ensuring that teams are agile, purpose-driven, and creative is critical.

VC INVESTORS

CYCLICAL MARKETS

The real estate industry has slowed substantially because of rising interest rates. Venture capital is a long-term business, so recognizing companies and teams that can weather these cycles is key. Downturns create the opportunity for reasonably priced deals with better underlying fundamentals.

CHANGING CAPITAL ALLOCATORS

The LP landscape for proptech funds is evolving. While strategics and pension funds are still investing in private capital, there has been a general pullback in commitments. Creativity and building relationships for the future is more important than ever right now.

DETERMINING EXIT PATHS

Proptech is still in its early innings, and there isn't a long list of large exits to point at. Acquirers in the space so far have mainly been strategics. While there have been some large PE deals, these are expected to increase as the market matures. Consolidation is starting in many areas, and this will likely continue.



RAJ SINGH
CEO & FOUNDER

*It's definitely been a harder market for startups, so many are focused on bringing their business back to basics. At the same time, **we still have to be ambitious - we're here to create the future, not wait for it.***

ALTRIO



ALIYAH MOHAMMED
CHIEF CAPITAL OFFICER

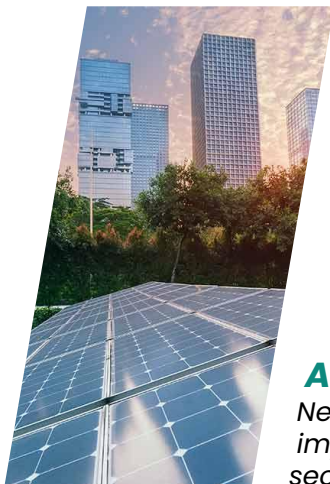
*Investing in innovation has always been a priority. It's rarely simple - **it takes an open mindset and sometimes you have to take the scenic route to get there.** We've dedicated a team to this, so we can stay at the forefront.*



These were the four key trends that came through in our conversations with proptech founders, real estate leaders, and VC investors.

Decarbonization

The collective pursuit for sustainable value creation and a resilient future



Affordability

New approaches to improve housing security for Canadians



AI, AI, AI

Leveraging AI to streamline processes and use data effectively



Integration & Consolidation

A focus on creating holistic platforms and the M&A landscape



Decarbonization

Across the board, leaders were concerned and motivated by the growing issue of climate change. This acknowledgment has led to a stronger emphasis than ever before on integrating ESG principles and data into business planning.



PROPTech FOUNDERS

are pioneering efforts, innovating across the entire real estate value chain. A few key areas that came through were:

- **REAL-TIME RISK MITIGATION** for managing properties through climate change, taking prompt action to plan ahead of potential issues
- **LEVERAGING LEGACY DATA** for more customized offerings and insights for building operations
- **AUTONOMOUS GRID MANAGEMENT** where hundreds of buildings can be coordinated to balance power usage across cities

REAL ESTATE LEADERS

are aligning their strategies and scorecards with net zero roadmaps, focusing on carbon-reduction initiatives.

- **ADVANCED SENSOR TECHNOLOGY** to manage building systems and gain insights on usage on everything from energy to occupancy
- **SUSTAINABLE MATERIALS** in developments to limit embodied carbon, from low carbon concrete and mass timber to more sustainable installation and windows
- **PLATFORMS FOR MEASUREMENT AND TRACKING** of emissions and impact

VC INVESTORS

are actively looking at opportunities at the intersection of climate tech and proptech, including:

- **HEAT PUMPS** for energy efficiency and electrification
- **OFFSITE CONSTRUCTION USING ROBOTICS** to reduce timelines and waste
- **DEMAND RESPONSE AND EV**, which promotes grid stability and better energy management



*Innovations in what we build with and how we build will be critical to addressing challenges. **Materials including wood and other biomaterials, low-carbon concrete, and repurposed materials meaningfully reduce embodied carbon and waste. There are also emerging advancements in fabrication technologies, including the use of robotics and automation, to reduce costs and construction timelines.***

Given the scale of the 370-acre Downsview Airport Lands, we have a unique, once-in-a-generation opportunity to embrace the best technology and ideas to redefine urban living and create a more sustainable future.



Northcrest
DEREK GORING
CEO



Affordability

Leaders collectively recognized the role housing access and affordability has in shaping the future of our industry and country.



PROPTech FOUNDERS

have pointed to new businesses that have emerged, with different financing models starting to attract institutional investors. Government funding and flexibility on legislation has also been a recent catalyst.

- **CO-OWNERSHIP MODELS** have been spurred by commitments from CMHC to provide capital to prove out the business model
- **ALTERNATIVE FINANCING**, such as fractional or rent-to-own
- **MODULAR, PREFAB UNITS** that owners can use to add density to properties with improved zoning and policies for new developments

REAL ESTATE LEADERS

are motivated to also address the “S” within ESG.

- **ADDING AFFORDABLE UNITS** as part of new developments
- **INCREASING FOCUS ON PURPOSE-BUILT RENTAL** as an asset class within portfolios
- **INCLUSIVE COMMUNITIES** that promote a diverse social fabric and more affordable housing

VC INVESTORS

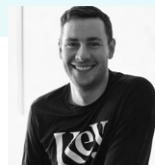
see the demand to improve affordability, however some have struggled with complex operating models.

- **AFFORDABILITY MODELS CAN BE CHALLENGING** due to high capital requirements, operational complexity, government regulations, and housing dynamics in Canada, especially for typical B2B SaaS investors
- **IMPACT AND AFFORDABLE HOUSING FOCUSED FUNDS**, as well as family offices, often play a key role in early financings



*Escalating property prices have made traditional homeownership less attainable for many. **Co-ownership models can provide a viable pathway to enter the real estate market without bearing the entire financial burden, thus addressing affordability concerns.***

The success of collaborative consumption models in various sectors has positively influenced the acceptance of alternative financing concepts. As people become accustomed to sharing resources and assets, the idea of co-owning a property has become more appealing.



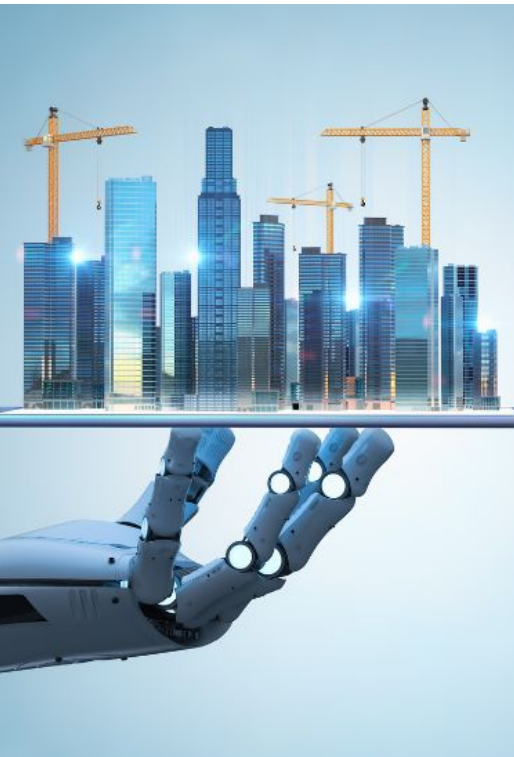
Key

DANIEL DUBOIS
CO-FOUNDER



AI, AI, AI

There's no doubt that ChatGPT has captivated society over the last year and brought AI to the forefront of innovation strategies. This was no different within the proptech industry, with many energized by the possibilities AI brings.



PROPTech FOUNDERS

have been leveraging AI internally to help scalability, as well as testing it within their existing products.

- **AUTOMATION OF REPETITIVE PROCESSES**, such as data extraction from documents/photos, content creation, and idea generation
- **LLMS FOR DATA INSIGHTS** as much of real estate is the synthesis of information; it will take longer for this to be adopted, as the industry is still in the early stages of digitizing their own data
- **DATA AUTOMATION AND VALIDATION**, as AI can run many instances and quickly catch discrepancies in information

REAL ESTATE LEADERS

see the potential for AI, but many have not tested it to the extent founders or VC investors have. Opportunity areas include:

- **CUSTOMIZED INTERNAL GPT** to protect proprietary data, while still leveraging insights and previously siloed information firm-wide
- **REVAMPING BIM**, as models today are often not standardized
- **SCENARIO ANALYSIS** for development planning, performance analysis, risk assessments, and more

VC INVESTORS

have been excited about combinations of AI, with some of the top themes:

- **MACHINE LEARNING** for predictive modeling on building operations
- **GENERATIVE AI** for architectural design and structural iterations
- **NATURAL LANGUAGE PROCESSING** for document and data automation



*Generative AI is activating innovations in real estate and property software. Predictive maintenance, seamlessly integrated with IoT systems, promises to revolutionize how we preempt and tackle potential issues within properties. **From predicting ongoing needs to offering insightful solutions before problems escalate, this technology forms the cornerstone of a proactive approach to property management.***

*Furthermore, its capacity to create tailored content for hardware not only enhances virtual experiences but also drives engagement, setting the stage for a new era of immersive interaction with properties - from tours to construction safety on-site. **As the synergy between Generative AI and real estate continues to unfold, the industry stands on the brink of a transformative journey, where efficiency, sustainability, and innovation converge to redefine the very fabric of how properties are built, managed, and transacted.***



VIK PANT
PARTNER & CHIEF
DATA SCIENTIST



Integration and Consolidation

As the industry has matured and companies have expanded, there's been a greater shift to consolidation. Many are looking to create partnerships and integrations with other platforms to provide a more holistic experience for customers.



PROPTech FOUNDERS

have been more open to collaboration and are thinking about where other platforms can plug in to their solutions.

- **API INTEGRATIONS** are top of mind when founders are building out their platform, especially as it comes to integrations with ERP systems
- **STRATEGIC PARTNERSHIPS** with other tech providers in the industry, i.e. data sharing partnerships, referral networks have been huge
- **CONSOLIDATION** with later stage proptech companies acquiring smaller ones upstream and downstream in the value chain

REAL ESTATE LEADERS

have been focused on their foundational technology. They expressed an interest in more holistic platforms and broader data sharing across their systems.

- **DATA INFRASTRUCTURE** has been a top priority, with companies looking at data lakes and warehouses
- **RETHINKING OPERATING MODELS** has been critical to the success of tech implementations, including restructuring teams and processes

VC INVESTORS

have pointed to...

- **CONSOLIDATION** driven by macroeconomic conditions and a maturing proptech industry
- **INCREASING MOVEMENT TO OPEN APIs**, allowing companies to deliver a better experience



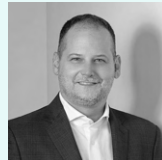
Centralization separates people from properties and focuses on job responsibilities over location.

Technology must support centralization through automation, communication, and visibility.

Maintenance and capital projects centralization is the future of operations. It's not about reducing headcount, but rather providing efficient service while focusing staff on the jobs with the most value to the business.

SuiteSpot

ELIK JAEGER
FOUNDER AND CEO



Proptechs have a deep understanding of the needs and preferences of their clients. That's why we work closely with them to develop strategic partnerships that allow us to enhance client experience with seamless insurance coverage offered through API technology.



SUNNI SHANNON
SR MANAGER, PARTNERSHIPS

DUYO



Proptech Founders On... Go-to-Market

HOW DID YOU VALIDATE YOUR MARKET DEMAND?

DEEP MARKET UNDERSTANDING

Understanding buyer personas and target market attributes ensured solutions aligned with market needs. Proptech leaders employed surveys, focus groups, direct interactions and pilot tests to collect first-hand data that validated market demand.

ITERATIVE PRODUCT DEVELOPMENT

Many founders started small with an MVP and swiftly iterating based on user feedback. Through this approach, they learned practical applications of their solutions. Continuous product improvement and hands-on testing were vital in validating market demand.

BUILDING MARKET CONFIDENCE AND TRUST

Ensuring clear communication and educating end users, emphasizing simplicity, and leveraging notable references such as flagship customers or respected advisors was critical to the success of startups. These tactics enabled proptech leaders to build credibility in the market.

WHAT ARE SOME OF THE BIGGEST OBSTACLES AND HOW DO YOU OVERCOME THEM?

EDUCATING USERS TO INCREASE ADOPTION

Educating the market is a major adoption challenge. Overcoming it demands clear messaging, training, and showing how technology engages users. Addressing job loss fears requires demonstrating technology's ability to enhance human involvement.

LEGAL AND REGULATORY COMPLEXITY

Varying regulatory environments pose a significant adoption challenge. Introducing models like co-ownership or automation of building design requires navigating complex legal requirements that differ across jurisdictions. Managing data security demands meticulous attention to regulatory compliance, complicating technology adoption.

TALENT ACQUISITION AND SCALE

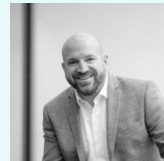
While talent availability is better than in 2021, access to skilled, affordable talent remains a key priority and challenge. Proptech leaders are exploring new strategies, like remote work and partnering with flagship customers, to address this challenge and accelerate development.

//

*It's a constant battle, but you have to continuously teach and educate. Our customers care about different things, would respond differently to ways of communication, and had varying levels of sophistication. **While it helped that our tech was improving, we also spent time figuring out the core personas and how to prioritize our efforts.***

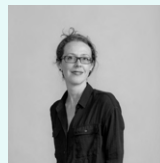
BRAINBOX AI[®]

SAM RAMADORI
CEO



We were energized and built momentum by the iterative process of constantly talking to real estate customers, listening to their daily challenges, and seeing their initial reactions when they saw how our platform could help them.

As a founder in proptech, you have to enjoy the problem-solving that comes with designing a business around complex issues.



RATIO.CITY
A Division of Estiote

MONICA JAROSZNEK
CEO & CO-FOUNDER

//

Proptech Founders On... Raising Capital

WHAT HAS YOUR EXPERIENCE BEEN LIKE RAISING CAPITAL AS A FOUNDER OF A PROPTech STARTUP?

RESPONDING TO CHANGING MARKET DYNAMICS

Navigating the evolving market challenges has made capital acquisition tougher, demanding concrete product-market fit and revenue from investors. In Canada, fundraising is notably tougher than in the US, underscoring the vital role of government programs as key funding sources.

FOCUSING ON CORE BUSINESS PRINCIPLES

Proptech founders have had to revisit core business principles, focusing on launching value-added features and offering competitive pricing to attract and retain customers. Metrics emphasizing cost control and shorter sales cycles are now essential to meet investors' expectations regarding viability.

CREATING STRATEGIC ALLIANCES

Collaborating with industry leaders and signing partnership agreements for cross-selling among clients has enhanced credibility, facilitated new market opportunities, and allowed for a stronger value proposition presentation to investors.



addy
TM

STEPHEN JAGGER
CO-FOUNDER

*In the beginning, we sold the dream and forecasted our vision. **Now, with multiple successful property launches, we prove our track record.** Crucial metrics like client acquisition cost and customer lifetime value secure investor trust.*



FUNDRAISING ADVICE

1 BUILD RELATIONSHIPS EARLY

Investors invest in people. Building relationships early allow investors to get to know you, and you them. This can help investors move more quickly and confidently when the timing is right.

2 FOCUS ON INDUSTRY PARTNERSHIPS

Find a champion internally at customers that can advocate for you. Early adopters that give positive word-of-mouth testimonials serve as powerful endorsements of a solution's potential.

3 SOURCE NON-DILUTIVE CAPITAL

There are many grants and programs available for startups in Canada that should be taken advantage of. Speak with other founders or advisors that can help navigate the system.

4 FUNDAMENTALS MATTER

While early stage companies won't necessarily have everything worked out, the days of raising capital on an idea without a path to positive unit economics and profitability are gone. It's important to tell a clear story on business model viability and ROI for customers.

5 SURROUND YOURSELF WITH STRONG ADVISORS

Building a great advisory board that is focused on attracting smart capital is helpful. Collaborating with experts can lend credibility to startups and opens doors to valuable introductions and resources.

Real Estate Leaders On... Tech Adoption

WHAT WERE THE PRIMARY GOALS YOUR ORGANIZATION PURSUED WHEN INVESTING IN PROPTECH?

EFFICIENCY

Real estate owners primarily seek technology for efficiency gains. Technology that increases revenue is also attractive. By leveraging software, the core objectives often are to optimize operations, reduce the cost, and to free up time for employees.

BREAKING DOWN SILOS

Technology has allowed for better collaboration between teams. Using software for seamless information sharing across groups adds more transparency and faster, more effective decision-making.

SUSTAINABILITY & FUTURE-PROOFING

The industry is leaning on technology to track ESG initiatives and create more resilient portfolios. The reporting, measurement, and reduction of environmental impact is at the top of many agendas. Technology and innovation isn't purely software - it's often supplemented with new processes, materials, and hardware.

HOW HAVE YOU PREPARED FOR LARGE TECHNOLOGY PROJECTS OR SOFTWARE IMPLEMENTATION?

ROADMAPPING

Before rushing to implement new technology or pilot, real estate companies are creating foundational roadmaps of their entire portfolio. That gives a baseline for understanding what standardization exists across assets, which can be helpful for prioritizing where investment should be directed first. It also benefits sustainability planning and measurement initiatives.

FROM REACTIVE TO PROACTIVE

Many real estate tech stacks have evolved out of necessity rather than by design. This is changing, as asset owners restructure their operating model to be more responsive to upcoming trends.



*Our Impact Framework, introduced two years ago, emphasizes that impact is at the core of what we do. Before layering on these goals, we review the entire project cycle, including business models and investor preferences. **Acknowledging diverse investor goals, we stress the importance of customized approaches to innovation, growth, and compliance with relevant policies.***

We prioritize affordability, strive for sustainability with a specific target of carbon neutrality, and try to foster the growth of social capital.

Q T A S



LIZA STIFF
VP, IMPACT IMPLEMENTATION
& INNOVATION

*The level of importance of innovation has changed massively in a positive way. **Data insights are needed in more volatile times, and technology can significantly enhance the quality of these insights and the speed at which you can capture and share them.***

Investors are also particularly interested in this data, and scaling your data information capabilities with technology is much more efficient.



MATTHEW EDGAR
CHIEF TECHNOLOGY OFFICER

SLATE



Proptech Investors On... Expectation vs. Reality

OF THE PROPTech TRENDS THAT HAVE HISTORICALLY EXCITED YOU, WHICH ONES MET YOUR EXPECTATIONS WHILE OTHERS DIDN'T?

ON TRACK

ELECTRIFICATION & BUILDING CONTROL SYSTEMS

There is a new generation of technology companies that can help real estate owners generate returns on energy savings while reducing emissions. This includes both hardware and software – more energy efficient electric HVAC systems like heat pumps and energy recovery ventilators, along with AI enabled building controls that ensure tenant comfort and optimal building performance.

Deploying distributed energy resources like solar, energy storage and EV chargers also add opportunities for buildings to interact with the grid and monetize their energy assets. The road to decarbonize buildings is a long one but technology is making the business case easier and easier.

DIGITIZATION OF ENTERPRISE

As real estate companies figure out their foundational infrastructure, the opportunity for additional tooling for repetitive and manual processes still exists. The democratization of AI is helping expedite this trend.

HAVE NOT LIVED UP TO THE HYPE (YET)

FUTURE OF WORK:

Two thesis ideas that VC investors thought would be top of mind, but have had a slower adoption curve are: flex workspace and tenant engagement. Companies like WeWork were supposed to transform commercial real estate, but the model of taking on leases makes it hard to scale. Workplace apps have also had slower adoption, as return to office trends are unevenly distributed across employers.

TRANSACTION DISRUPTION:

Other than online portals to view listings or pipeline management tools, the industry has not made as much progress as many investors expected to streamline transactions. However, with the take off in AI, there is an even larger opportunity for this trend to take hold.

BLOCKCHAIN:

Five years ago it seemed like “blockchain could change everything”. This has appeared to be more hype than reality, and the actual adoption of this technology has not been realized. There is still opportunity for this technology to play a role, i.e. via smart contracts or digital property rights, but there is less excitement today over the concept of blockchain.



Building controls and core building management systems – which we knew had a more direct link to decarbonization – have also turned out to be much stronger and investable, as long as they are not overly capital intensive.

We've also seen a generational shift within real estate with a greater drive to adopt technology.

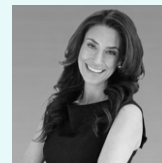


Greensoil
PropTech Ventures

DAVE KOLADA
MANAGING PARTNER



The returns we've generated so far have been the strongest in investments related to sustainability. They have definitely outperformed the market – looking ahead, we're doubling down on this thesis.



Venturon
REAL ESTATE RE THINK

DEENA PANTALONE
MANAGING PARTNER



What have we learned

PROPTech FOUNDERS AND COMPANIES ARE VERY RESILIENT

The adaptability of founders and their startups to shifting market conditions is obvious.

Successful companies are strategically focusing on fundamental solutions that reduce costs or boost revenues, ensuring a clear ROI is delivered. This strategy resonates with the financial motivations of their customers, instilling confidence and building stronger rationale for implementing new solutions.

While the COVID-19 pandemic accelerated the willingness to adopt technology, there is still recognition that sales cycles can be longer for these startups. Founders have found it beneficial to build relationships with potential customers and investors early, source non-dilutive capital, and find great advisors to help them accelerate growth and funding.

Real estate is fragmented by asset type, location, regulations, and more. Navigating this has been something all stakeholders have struggled with. As technology advances and regulations become more flexible, there has been an increased opportunity for new business models to emerge.

REAL ESTATE LEADERS KNOW INNOVATION IS CRITICAL

During this more challenging market, real estate leaders have recognized that they cannot fully take the foot off the pedal on adopting technology.

There have also been different approaches to innovation:

- *Building internally where there have been competitive advantages or no fitting software available.*
- *Partnering with existing startups that have solutions that can integrate and solve pain points.*
- *Investing directly in companies where their software is being used internally already. This is to increase influence on product and gain financial benefit through startup exits.*

As data becomes more important than ever for real estate companies' competitive advantage, leaders are thinking about how they can improve their organizations. There has been a re-evaluation of their core strategies and operating models, which includes restructuring teams and core systems to ensure more advanced technology can be implemented.

INCREASING FOCUS ON ESG & DECARBONIZATION IN THE INDUSTRY

Four transformative trends are top of mind:

- *Decarbonization: climate change has motivated many to place a stronger emphasis than ever before on integrating ESG principles and data into business decisions.*
- *Affordability: this growing challenge will play a critical role in the future of our country.*
- *AI: these advances will have a fundamental impact on the efficiency and processes within the industry.*
- *Integration: partnerships, APIs, and consolidation will provide a more holistic experience for customers.*

Proptech startups are at the forefront of innovation, poised to thrive by addressing these challenges. To harness these opportunities, it is crucial for further collaboration among real estate firms, investors and startups to identify relevant problems, build innovative solutions, and allocate capital.

Bold solutions and strategic partnerships will drive the opportunities presented by these trends and ultimately shape the future of the sector.



Join us now !

Be part of the community today

// *As part of Proptech Collective, VoPay has had the opportunity to strengthen relationships with industry leaders across the country. Through participation in their events and activities, we have deepened our connections and expanded our network, fostering relationships with potential clients and partners.*

- VOPAY

Joining Proptech Collective can be a networking game-changer. Their events, such as their Founders Dinner, have enriched my professional circle and helped attract talent to our company. Proptech Collective can help you open doors.

- SWITCH ENERGY

Proptech Collective is a valuable source of news and information on what's happening in the ecosystem. My team and I look forward to attending future networking events in Toronto, Montreal and Calgary, and I'm excited to be a judge at the upcoming Building Show.

- WAHI



Your membership more than pays for itself, with \$1K+ in savings

- Discounts to industry conferences (CRETech, Blueprint, etc.)... *savings of at least \$400 per person*
- Free access to Proptech hosted events... *savings of \$150 for the year*
- Discounts and offers on professional services *up to \$500 in savings and time*
- *Ability to share your company news with our 5K+ community members*
- Exclusive speaking opportunities via our events or industry partners
- Meet with Proptech VCs like Alate and Whitecap (Exclusive to Proptech members)
- Free access to legal office hours (Exclusive to Proptech members)

Methodology

The Proptech in Canada 2023 report provides an overview of the Canadian Proptech landscape, including analysis of over 500 active Canadian startups.

Source of data: This report relied on several sources including Pitchbook, Crunchbase, Alate Partners, Thomvest Ventures, individual company websites, and other publicly available information. In addition, Proptech Collective has peer sourced market map details from active founders, investors, and stakeholders within the proptech community. All analysis was completed by Proptech Collective.

Timing of data: The database includes information up to September 30, 2023. Other startups founded or financed after this date may not be included as part of the analysis.

Currency: If original figures were in USD, an exchange rate of 1.37 USD:CAD was applied.

Categorization of startups: The report leveraged the categorization initially created by Thomvest Ventures in their 2020 Real Estate Technology Landscape, then was modified to align with the Canadian ecosystem. Each startup is categorized based on its core market (Residential, Commercial or Construction), its value chain (Find Property, Finance & Evaluate Property, Manage Property, Build Property, Close on Property, or Asset Utilization), and its product or service's main function.

The 25 top-funded Proptech startups: Startups are ranked based on the total financing received before September 30, 2023. While total raised is not the best measure of a company's success, it is the most commonly available metric to show maturity of companies. If other performance metrics were used, a number of additional impressive companies would appear on the list or rank higher.



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PARTNERSHIPS

If you would like to discuss data partnerships or participate in future reports, please contact us at

hello@proptechcollective.com