

Investorist – Delivering a B2B realty trading platform

Investorist has created a global B2B cloud-based trading platform which manages the process of buying and selling off the plan apartments, townhouses and house and land packages anywhere in the world. Investorist's members are the developers, project marketers and advisors who lead the off the plan property industry. The company has raised \$8m to date in seed, Series A and Series B funding.

Background

Investorist was founded in 2013 by former Mirvac marketing manager Jon Ellis who prior to establishing Investorist, launched Extension, an advertising and marketing creative agency for the property industry. Anchor investors include Salta Capital, which is owned by Melbourne's Tarascio family. David Tarascio is a non-executive director of Investorist. Salta Capital followed on in the Series A round which also attracted Netspace co-founder Stuart Marburg and Redflex CEO Paul Clark. Series B round attracted new tech investors, Andrew Sypkes, Executive Director of the Sypkes Group based in Hobart and an active investor in technology and property ventures and Adam Clarke, Managing Director of ASABJ Investments. Adam's company AS Digital created bookarestaurant.com, which was subsequently sold to become part of Open Table, the world's leading provider of online restaurant reservations.

Business model

Investorist operates a live trading platform for real estate agents and property developers. At the basic level, Investorist charges developers and master agents, via a classified or marketplace business model, to promote their projects to global agents who are also charged a monthly subscription fee to access properties to sell to their clients. More than 5,500 companies use the platform in 25 countries, in excess of \$45b stock and more than 50,000 properties listed, including the US's largest ever real estate development, Hudson Yards, a US\$30b 11 tower project in NYC. At a deeper level, Investorist offers all participants the ability to white label the Investorist marketplace which incorporates a branded portal, unique affiliate logins, full contract management as well as optional CRM integration. This SaaS business model makes up approximately 40% of the company's revenue and has seen their software integrated into over 300 companies globally. The company employs more than 60 people across offices in Sydney, Melbourne, Brisbane, London, Shanghai and Miami.

Potential market size and peer group

Investorist differs from other online property portals such as realestate.com.au and Domain in that its listings are live and dynamic and its platform is B2B and not available to property investors. With more than \$6trillion invested in property in Australia and more than one in five off the plan apartments being sold to foreign investors, Investorist's reach into offshore markets has also been a key differentiating feature for the company.

Capital raised to date

Mar 2014 seed round	\$1.7m
July 2015 Series A round	\$2.5m
Dec 2016 Series B round	\$3.3m
Implied valuation from Series B round	\$30m

Shareholders

Currently has more than 20 investors including Salta Capital, Netspace co-founder Stuart Marburg, Redflex's CEO Paul Clark, Sypkes Group's executive director Andrew Sypkes and ASABJ Investments' managing director Adam Clarke.

Market outlook

Property industry forecasters BIS Schrapnel and CoreLogic are respectively forecasting property price growth of 1-3% and 5% in 2017. Realestate.com.au's economist predicts Chinese interest will continue.

Upside Case

- Backed by major property industry players as well as successful tech investors
- International exposure provides a natural hedge against any one property market
- Significant first mover advantage in Australia

Downside Case

- Wholly exposed to one sector - property
- Stickiness of user base yet to be tested
- Competitors beginning to emerge

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