

## PRESS RELEASE

### The Principality of Monaco and ESCP Business School unveil the latest version of their PropTech barometer

*In line with the digital fast-tracking of the property market, Monaco and ESCP Business School have extended their collaboration and published a new barometer for 2021. This new edition reflects global developments in the sector.*

*Carried out under Jaime Luque, associate professor at ESCP Business School, this work measures the full range of solutions geared towards bringing the digital revolution to real estate.*

**Monaco, 9 February 2022** – The Principality of Monaco stands at the forefront of innovation and has positioned itself as a key player in developing PropTech, a fresh, new concept from the tech world that encapsulates the digital transformation in the property and construction industry.

**Frédéric Genta, Interministerial Delegate responsible for Digital Transition,** backed up this trend: *“Property is a sector of excellence in the Principality of Monaco. Developing a smart property sector will allow Monaco to take advantage of its own expertise in this field as a driver for economic growth in the digital world. It alone accounts for 20% of the Principality’s GDP and more than 1,750 jobs. This is a strategic sector when it comes to creating both value and jobs.”*

#### Global investment largely dominated by the United States

As also seen last year, the 2021 PropTech barometer shows that the US is the indisputable centre of attraction. With over 1,079 investors, the US is both the largest investor (56% of the investments by the ten countries which invested the most in PropTech in 2021) and the largest recipient of funds (60% of investments among countries attracting the most investment in PropTech).

The market represents a total of more than 45 billion dollars of funds built up since 1999 by American PropTech companies. The ranking of the top three most attractive companies consists of names widely known by the general public: WeWork, the giant office and co-working space provider, has attracted 20.6 billion dollars of investment since 1999, followed by Airbnb, the world leader in private lettings (6 billion dollars), and the Expedia Group, owner of numerous online travel agencies (3.3 billion dollars).

Behind the US are Japan and the UK, respectively in second and third place in the classification. Together these three countries are where 88% of the investments

originate, out of the 10 countries that poured the most investment into PropTech over 2021. The classification also includes Switzerland, China - Hong Kong, Bermuda and Germany.

Projections for 2022 expect China to move up the table directly to second place among the countries receiving and placing the most investment.

In addition to this situational analysis, the barometer also reveals a virtual monopoly by merger-acquisition players, with eight companies accounting for a 72% share of the market:

- CoStar Group, world leader in commercial property;
- Zillow, property advertising specialist;
- RealPage, offering property management software;
- Airbnb, global platform for private accommodation lettings;
- Trimble, provider of geo-spatial software;
- Expedia, a company bringing together several online travel agencies;
- Autodesk, creator of digital design software;
- ANGI Homeservices, Internet services provider.

**Jaime Luque, associate professor at ESCP Business School** responsible for this research, gave a brief recap of recent developments: *“We are part of a world undergoing constant change. The strategic players in the property sector are looking to develop their range of digital solutions to improve quality of life for residents. This is a lasting trend that is not new but has become more pronounced year on year.”*

### **Inequalities across the various links in the value chain**

The PropTech ecosystem is currently made up of four basic links: project financing, infrastructure construction, sales and leasing management, and housing in the property stock created.

The study reveals that:

- The housing category made up 50% of PropTech corporate acquisitions in 2021.
- In 2022:
  - Investments in PropTech “Management” and “Housing” companies will increase (by 50% and 20% respectively).
  - Conversely, investments in “Financing” and “Construction” will fall off.

Moreover, after ballooning in 2016 (+110%), the merger-acquisitions market continued to experience stable growth, with a yearly increase of +4%.

**Robin Rivaton, businessman and investor**, explained that “*Property in a Smart City no longer bears any resemblance to traditional real estate. Digital solutions are available at all levels of the Property and Public Works value chain. Our aim is simple: to make life easier for residents at the lowest cost.*”

In Monaco, where sights are set on becoming the Singapore of Europe, digital transformation in all sectors by necessity depends on the country having a stable infrastructure. With the launch last year of the first sovereign Computing Cloud in Europe, Monaco Cloud, plus 5G and fibre optic coverage across the whole territory providing security and power, as well as government grants (*Fonds Bleu* [Blue Funds]) for supporting entrepreneurs in their digital projects, the Principality of Monaco holds all of the key elements for making its pioneering model even more attractive, in any domain.

The full report is available here: <https://escp.eu/news/proptech-global-trends-2021>

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### **About Extended Monaco**

Extended Monaco is the Principality of Monaco’s digital transformation programme. It is run by the Interministerial Delegation responsible for Digital Transition, under the Government of Monaco.

Website: [www.extendedmonaco.com](http://www.extendedmonaco.com)

Twitter: @ExtendedMonaco

### **About ESCP Business School**

ESCP Business School was founded in 1819. The School has chosen to teach responsible leadership, open to the world and based on European multiculturalism. Six campuses in Berlin, London, Madrid, Paris, Turin and Warsaw are the stepping stones that allow students to experience this European approach to management.

Several generations of entrepreneurs and managers were thus trained in the firm belief that the business world may feed society in a positive way.

This conviction and ESCP’s values - excellence, singularity, creativity and plurality - daily guide our mission and build its pedagogical vision.



Every year, ESCP welcomes 8000 students and 5000 managers from 122 different nationalities. Its strength lies in its many business training programmes, both general and specialised (Bachelor, Master, MBA, Executive MBA, PhD and Executive Education), all of which include a multi-campus experience.

It all starts here.

Website: [www.escp.eu](http://www.escp.eu), Follow us on Twitter: @ESCP\_BS

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