

US Commercial Real Estate Market

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US Commercial Real Estate Market

Growth of smart technologies like artificial intelligence, machine learning, and big data, along with the adoption of disintermediating technology platforms, are some recent trends impacting the US CRE software industry. The market size of the US commercial real estate software was found to be \$586 million in 2020.

Growth of Artificial Intelligence, Machine Learning, and Big Data

- Artificial Intelligence ([AI](#)) has significantly increased the number of [digital platforms](#) that offer a detailed and machine-learned analysis for [CRE professionals](#) to navigate through the world of big data.
- AI programs can learn and [self-improve](#) results with use. AI-enabled programs can identify [incomplete document](#) information on nondisclosure, leases, and [partnership agreements](#), among others. Moreover, [machine learning](#) can automate tasks like drafting proposals or submissions.
- [Property intelligence](#) has enabled CRE companies to gather [public records](#) quickly and help them analyze property [sales history](#), ownership, debt history, [tax](#), tenant breakdown, among others, in a flicker of time.
- According to a recent global survey on [400](#) CRE c-suite executives, about [41%](#) of companies used automation for benchmarking performance analysis, [39%](#) used automation for scenario sensitivity analysis, and [36%](#) used automation for budgeting and forecasting. Moreover, [19%](#) of companies used AI and machine learning for scenario sensitivity analysis, and [16%](#) used AI for accounting and property management.
- It is noted that an increasing number of [landlords](#) and developers are gathering [information](#) about their buildings with intelligent [sensors](#). The companies are using [big data](#) and artificial intelligence to [track occupancy](#) levels, building temperature, [air-quality](#), people movement, and other metrics.
- [OcroLus](#) is a startup that utilizes AI-enabled optical character recognition (OCR) technology to tackle the manual process of auditing financial documents with [99%](#) accuracy. The company has raised [\\$24](#) million recently.
- [Reonomy](#) is a New York-based startup that analyzes [100](#) sources of data using artificial intelligence to provide market intelligence to developers, investors, acquirers, and CRE executives. The company caters to more than [100,000](#) customers covering more than [50](#) million properties, i.e., about [99%](#) of the commercial inventory for the US. Reonomy features a database of [80](#) million companies, [300](#) million people, [39](#) million mortgages, and [68](#) million

property sales.

Increasing Adoption of Disintermediating Technology Platforms

- According to [Forbes](#), platforms are crucial for CRE firms because interaction with different people is a [major pain point](#) for executives due to the associated [time consumption](#) and operational complexities.
- [Altus Group's](#) recent survey reports that disintermediation is driving [technology adoption](#) among CRE companies. Moreover, new business models such as [co-working](#), sharing economy, and e-commerce are bringing disruption by cutting out [intermediate steps](#) and enhancing efficiencies.
- [Disintermediating technology](#) platforms are impacting the CRE industry because [multiple stages](#) of financing, funding, and transaction processing give rise to [inefficiencies](#) in the CRE functions. As a result, [transaction-based platforms](#) like lending marketplaces, online property exchanges, and [crowdfunding sites](#) are increasingly being used to [streamline processes](#) and directly connect buyers with sellers.
- CRE companies spend an excessive amount of time on [repetitive tasks](#). Robotic Process Automation ([RPA](#)) software can free up time for employees by automating functions like tracking accounting invoices, [payments](#), renewals, credit applications, market research, and [due diligence](#).
- It is found that [61%](#) of CRE companies consider [online lending places](#) to have a major disruptive impact on the industry, and [79%](#) planned to increase its usage. Also, about [60%](#) of CRE companies have indicated the use of online [investment marketplaces](#), and [22%](#) have said to increase the usage in a significant way.
- [VTS](#) is a leading property technology unicorn that offers a cloud-based [platform](#) for brokers and landlords to conduct transactions, [manage space](#), track deals, and observe [transaction-based analytics](#).
- [Juniper Square](#) created a CRM platform for CRE investment firms to raise and [manage capital](#) for projects. The company manages a real estate portfolio valued at more than [\\$500 billion](#).

Market Size: US Commercial Real Estate Software Market 2015-2020

- According to [Adroit Market Research](#), the global real estate software companies generated a revenue of [\\$8.98 billion](#) in 2017, and it is expected to reach [\\$12.89 billion](#) in 2025, growing at a CAGR of [4.7%](#). Hence, we calculated the 2020 market size to be \$10.31 billion.
- In 2019, the global commercial real estate ([CRE](#)) software market size stood at [\\$1.96 billion](#), and it is expected to reach [\\$2.84 billion](#) by 2026, registering a CAGR of [5.3%](#) during the

projected period.

- According to our initial findings the global commercial real estate market was value at [2.02](#) billion in 2020 and is expected to grow at a CAGR of [5.1%](#) to reach reach [\\$2.47](#) billion by 2025.
- According to a report by [FrontLine Partners](#), North America accounted for [48%](#) of the global CRE software market in 2015. Alternatively, a recent report by [360 Research](#) stated that North America held a market share of [47.1%](#) in 2018.
- We found that a recent report by [Research Reports World](#) stated that the United States held a global market share of [29%](#) in 2016 and 2018. Assuming that its share remained the same, the 2020 US market will reach \$586 million by the end of 2020.
- In 2018, the [top 10](#) Real Estate and Construction software vendors accounted for about [46.4%](#) of the global industry. Oracle held the largest market share at [8.5%](#), followed by RealPage, Microsoft, Yardi, and Intuit.
- Some of the [biggest global players](#) include Brokermint, Oracle, Buildout, CoStar, PropertyMetrics, Altus Group, ClientLook, REthink, Apto, Ascendix Technologies, CommissionTrac, and Realhound

Research Strategy

We tried to identify the market size and growth of the US CRE software industry between 2015-2020 by scouring through numerous market research reports, industry presentations, media publications, and expert reviews. We were unable to find any precompiled data about the US market size for the CRE software market.

However, we observed that the market share of North America remained stable at 47%-48% between 2015 and 2019. Also, we found that the market share of the United States in the global real estate software market remained steady at 29% between 2016 and 2018.

Next, we calculated the share of CRE software in the total real estate software industry to be about 20%, i.e., \$2.02 billion out of \$10.31 billion in 2020.

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