

# Connect to Capital Online

LOWER YOUR COST OF CAPITAL  
WITH ONLINE SYNDICATION

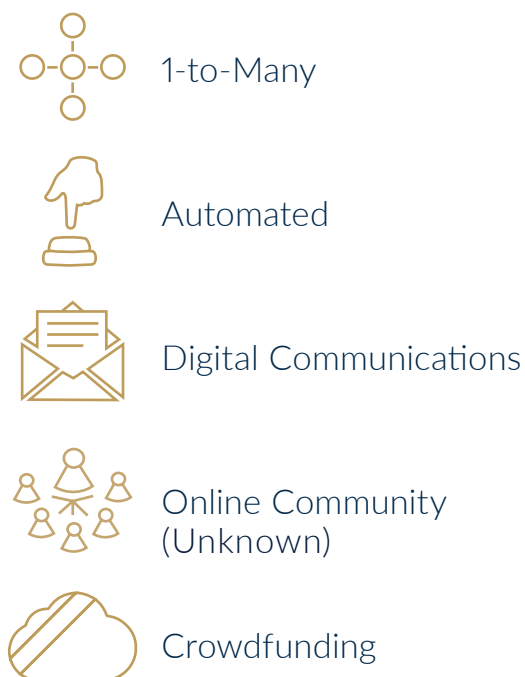
# The New Commercial Real Estate Funding Landscape

## CRE FUNDRAISING METHODS

### TRADITIONAL



### MODERN



Commercial real estate (CRE) companies will have to be agile and flexible in embracing technological innovations to keep pace with their new competitors and maintain their edge.

DELOITTE | "CRE OUTLOOK 2016"

Amidst a changing landscape of CRE fundraising, in 2016 Deloitte predicted the need for CRE companies to modernize. They were right. This has already come to pass and CRE firms following only the traditional capital raising playbook are at risk of falling behind.

Today's investors are presented with more alternatives than ever before, including many more options to find direct CRE investments without the barrier of a middleman. Thanks to the Jumpstart Our Business Startups (JOBS) Act of 2012, they have access to more information than ever before, and a broad variety of online tools with which they can research and directly invest in funds and properties.

They have more control over their portfolio and can make more informed choices about where they want to invest. So where are these investors going? Drawn by the prospect of low correlation to broader markets and, of course, potential returns, they're investing more and more in CRE. And like many other aspects of their lives, they're doing it online.



# The Rise of Real Estate Financial Technology

In light of the fact that the global online lending industry is expected to grow from \$40 billion in 2016 to

> \$1  
trillion

by 2021, the growth in CRE financing may very well be led by real estate fintechs.

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DELOITTE | "2018 REAL ESTATE OUTLOOK"

The JOBS Act didn't just create new ways for individuals to diversify their portfolios, it also opened the door to a new category of business—online syndication marketplaces—focused on enabling digital transactions between RE firms and individual investors. Over the last five years, this category has grown rapidly, disrupting traditional business models.

Innovative CRE firms are exploring the many ways in which they can partner with these companies and leverage their technology as a complement to more conventional methods. Online syndicators provide a way to quickly reach a bigger pool of potential investors faster, with a lower overall cost of capital.

Online syndication marketplaces offer developers and operators the ability to extend their reach beyond their personal networks, connecting with accredited, high-net-worth-individual (HNWI) investors across the country.

Instead of dedicating valuable time to pursuing investors who may or may not be interested in investing, developing customized sales pitches, or endlessly shopping properties to traditional lending institutions, CRE firms are tapping into the digital network of a credible partner and reaching tens of thousands of potential investors with a single campaign. Making the option even more appealing is the fact that online investors are passive, allowing sponsors more control in the development of their project.

Over 12% of HNWI's used online syndication solutions to invest in commercial real estate in 2016, and that number is growing as the adoption of alternative methods of investing and raising capital online accelerates. But access to a new source of funding isn't the only reason forward-looking CRE firms are turning to fintech partners. They're also exploring how these companies can help them go beyond simple customer relationship management (CRM) solutions with online software designed to automate the entire investment lifecycle, driving efficiencies while saving time and money.



> 12%

of HNWI's used online crowdfunding solutions to invest in commercial real estate in 2016<sup>1</sup>

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NREIONLINE.COM | EXCLUSIVE RESEARCH: HNWI'S  
CONTINUING TO CASH IN ON CRE

# The Benefits of Real Estate Financial Technology

If you're a CRE firm, technology designed specifically for the needs of your business can solve many of your most common challenges.

Real estate financial technology is helping CRE firms:



## DIVERSIFY SOURCES OF CAPITAL

Offset the limitations of a tightening lending market, with an alternative method of raising capital thanks to online syndication.



## CONNECT TO HNWIs NATIONWIDE

Extend your reach beyond your personal network and geographic market, with direct online access to HNWIs across the U.S.



## VERIFY INVESTORS QUICKLY ONLINE

Eliminate the manual, time-consuming process of verifying investor accreditation, with a digital process run by a reliable partner.



## ACCELERATE FUNDING

Potentially raise millions of dollars in days instead of months with custom-crafted promotion of investment offerings.

## MARKET NEW INVESTMENT OPPORTUNITIES

Draw investor interest with easy-to-use marketing tools and co-marketing support for deals.



## AUTOMATE CUSTOMER COMMUNICATIONS

Maintain and nurture customer relationships with sales and marketing software designed for business users.



## MANAGE INVESTMENTS AT SCALE

Manage all of your investors, investments, distributions and capital transactions, with a single online platform.



## ANALYZE & OPTIMIZE PERFORMANCE

Tap into deep insight on investor demographics and behavior, with analytics from investment management software.





# CrowdStreet: Your Direct Connection to Investors & Capital

"With Crowdstreet,  
I went from spending  
25% of my time managing  
investors to 1%."

**Joe Ollis,**  
COO & Co-Founder of SMARTCAP



# About CrowdStreet:



Since 2014, **over \$807 million in capital has been invested** on CrowdStreet's Marketplace through **more than 361 projects with 173 CRE developers and operators**. The Marketplace reaches tens of thousands of accredited investors nationwide.

CrowdStreet operates an award-winning online commercial real estate investment marketplace that gives accredited investors access to institutional-quality offerings.

CrowdStreet's leading technology solution allows sponsors to raise capital through online syndication and manage their investors seamlessly. CrowdStreet is helping to create a community where individual accredited investors and CRE firms can work together to build wealth through commercial real estate.

For more information, please visit [www.crowdstreet.com](http://www.crowdstreet.com).



Customer acquisition is expensive, and the channels for doing that are not so obvious, even for guys like us sitting here in New York with institutional backgrounds. Online fundraising is a terrific development in the world of CRE fundraising. We are going to make the most of it."

**CHAD COOLEY,**

Co-founder and Managing Partner,  
AWH Partners, CrowdStreet  
Customer

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Contact [sales@crowdstreet.com](mailto:sales@crowdstreet.com) to learn more about how leading CRE firms are connecting to capital on the CrowdStreet Marketplace.

