Real estate technology trends

KPMG surveyed more than 60 real estate funds, property owners and operators, public REITs, and developers to gauge their use of financial-accounting software and other technology.

The following infographic showcases some of the highlights from the survey.

Property accounting general ledger systems

No other competitor came close to being cited as often as Yardi and MRI. Regardless of the type of organization, respondents said they based their choice for general ledger systems on user friendliness, reporting capability, and cost effectiveness. Similar results were found for fund accounting general ledger systems.

Yardi 44%
MRI 11%
Other 45%

Cloud

The majority of organizations leverage the cloud for hosting property accounting general ledger systems.

52%
21%
16%
11%

Cloud
Internally hosted on-site
Outsourced
Other

Market research and valuation tools*

Broker research is especially used among private real estate funds and property owners/operators.

Co-star is the most widely used across all real estate organizations. It is common for organizations to use multiple research and valuation tools.

CoStar 62%
Real Capital Analytics 37%
Prequin 29%
LoopNet 14%
Public sale records 11%
Internal databases 11%
Zillow 10%
Tax reporting*
More than half of the survey respondents said that their tax services are outsourced.

53%
Tax services are outsourced

Collaboration and document management*
Real estate organizations are not using just one tool, but leveraging multiple tools and systems to collaborate. There are a number of tools that have wide acceptance.

49% Dropbox
43% Share Point
33% Docusign

27% Box
17% Other

Leasing software
Of the 39 respondents that indicated they use leasing software, Yardi and VTS are the two tools that stand out, followed by a mix of CoStar, MRI and others.

34% Other
33% Yardi
33% VTS

Asset management and transaction management tools

32% Yardi
25% Argus
11% RealPage
32% Other

Customer relationship management, deal flow and contract management tools
Twenty-two percent of respondents do not use a CRM deal flow system

26% Microsoft Outlook
21% Salesforce
14% MS Access
13% In-house proprietary tool
26% Other

Approaches to investing in PropTech*
When asked about importance of PropTech, many organizations noted improved decision-making is most valued, followed by the ability to lower operating costs, and improve customer engagement.

79% Partner with technology vendor
38% Partner with real estate service provider
33% Internal development **
6% Other

**Small companies (less than $500 million in assets) are twice as likely as larger companies to use internal development.
Data and analytics

Usage of data & analytics techniques

- No plans to use in the near term: 54%
- No, but planning to use within the next 12 months: 17%
- Yes: 29%

Availability of a data lake for data and analytics

- No plans to use in the near term: 56%
- No, but planning to use within the next 12 months: 17%
- Yes: 27%

Robotics and artificial intelligence are not on the horizon for most respondents.

Where will real estate companies invest in technology over the next 18 months?*

- Investor reporting: 40%
- Cybersecurity: 35%
- Asset management: 22%
- Leasing: 19%
- Tax Reporting: 17%
- Fund accounting GL systems: 17%

FTEs in IT department

Most respondents have 5 to 20 full time technology employees or outsource to a 3rd party.

- Less than 5: 19%
- 5 to 20: 29%
- 21 to 50: 6%
- More than 50: 11%
- Outsourced: 35%

Demographics

Type of Organization (Employer of the respondent)

- Private real estate fund: 35%
- Property owner/operator: 24%
- Public REIT: 10%
- Real estate developer: 10%
- Other: 21%

Organization’s gross real estate assets under management

- Less than $500 million: 25%
- $500 million or more to less than $1 billion: 11%
- $1 billion or more to less than $5 billion: 25%
- $5 billion or more to less than $10 billion: 18%
- $10 billion or more: 21%
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