# The Role of Property Technology (PropTech) in Building Performance

**What is PropTech and how does it apply to building performance?**

PropTech (Property Technology) is the new buzzword in real estate. Sitting side by side with FinTech (Finance Technology) and ConTech (Construction technology), PropTech is innovative, disruptive and digitally transforming the built environment.

Venture Capital (VC) investment in this area topped $14bn in 2018 and continues to rise.

Technological solutions are being developed to solve building performance challenges, and provide cheaper faster solutions and a better environment for the users.

An example of this is the development of multiple platforms that utilise Internet of Things (IoT) sensors to measure building performance, manage maintenance and connect tenants. This is particularly helpful in reducing replica callouts for issues in flats and tenant dissatisfaction due to poor communication.

Another set of solutions currently hitting it big in the ‘PropTech world’ is the tracking of building users and using this information to optimise building utilisation and operations. The data collected can also be used to inform future developments.

There needs to be a step change in how we do things in order to achieve the UK’s ‘net zero by 2050’ carbon target. PropTech will be a significant part in this journey. Solutions that enable spaces to be heated or cooled more efficiently or track and manage maintenance more effectively will be vital.

Lucinda Lay, Innovation Gateway, 13/07/2019

## Key Issues

- **Changing mindsets:** Estate owners and facility managers need to recognise that building occupiers and users have fast evolving needs and expectations. They need to innovate and adapt to stay competitive.
- **Procurement:** Start-ups often have very little cash flow; and working with large organisations that have long payment terms can be crippling. Property owners will need to review how they negotiate with suppliers in order to remain competitive and achieve change.
- **Workforce skills availability:** For example, there is an industry shortage of good building management system (BMS) engineers.
- **Proven benefits:** Oftentimes technology is installed and then forgotten about. Robust testing can be undertaken by using International Performance Measurement and Verification Protocol (IPMVP) methodologies. This needs to be recognised as a possible way to build reliable business cases that will accelerate the implementation of innovative solutions into buildings.

## Links

- Innovation Gateway, which is available at [https://innovationgateway.com/](https://innovationgateway.com/)
- Future PropTech, which is available at [https://futureproptech.co.uk/blog](https://futureproptech.co.uk/blog)
- Unissu, which is available at [https://www.unissu.com/](https://www.unissu.com/)
- Crunchbase, which is available at [https://www.crunchbase.com/](https://www.crunchbase.com/)
- Fifth Wall VC, which is available at [https://fifthwall.vc/](https://fifthwall.vc/)
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