

2. Introduction

In the last years, financial systems are becoming more innovative and inclusive, and many new forms of financial intermediation are emerging.

In this landscape, our attention is directed towards disintermediation, which refer to those financial institutions that rely on direct interaction between individuals, without necessarily pass by intermediary organizations. Instead, new technology-driven business models are adopted. More specifically, alternative finance is the term that covers those financial models that directly connect funders and fundraisers.

In this category we find crowdfunding, defined by Oxford Dictionary as “the practice of funding a project or venture by raising monetary contributions from a large number of people, today often performed via internet mediated registries, but the concept can also be executed through mail-order subscriptions, benefit events, and other methods” or, in different words, crowdfunding is the way of financing coming directly from the crowd (De Buysere, 2012). In the real estate market, it can be defined as a form of alternative investment that let investors – the crowd – to contribute to the funding of a project thanks to the usage of an internet platform. This type of investment brings twofold pros, for each investor and for the developers of the project. On one hand, investor can approach this market, investing small ticket into an asset that otherwise need bigger amounts of money; at the same time, it gives investor the possibility to diversify its portfolio. On the other hand, developers can rely on different sources of funding reducing their dependance on traditional banking channel.

In Italy, the RECF phenomenon is more recent and consequently the volumes, very smaller compared to European country, such as France and Germany. The market has grown significantly over the last four years, including the period in which Covid-19 stroke the country and the total amount invested is € 134.8 million.

The first projects were launched and financed in 2017 by Housers and Walliance, when the first Italian Equity RECF platform was established. Today, Italy counts three other major native operators: Concrete, an equity platform, and Trusters and Rendimento Etico which are both lending platforms. There are also two international European players active in the Italian market: the platform Housers, based in Spain and the platform Crowd Estate, based in Estonia. The two

are hybrid-type platforms in the Italian market launched only lending projects. These six major players have managed to raise a total amount of more than € 120 million between 2017 and the first quarter of 2021, accounting for about 90% of the overall value raised by RECF platforms in the country. The remaining amount was collected by other smaller entities that are gaining market share (from 7% to 11% in one year) including House4Crowd (Equity), Build Around (Equity), CrowdFundMe (Equity), BackToWork24 (Equity), MamaCrowd (Equity), Re-Lender (Lending), Bridge Asset (Lending), Recrowd (Lending), Italy-Crowd (Lending), Build Lenders (Lending) and Valore Condiviso (Lending). All these platforms have been recently established and started operating in 2019 or 2020.

In the US, the market leader is PeerStreet, which has raised more than \$ 4 bn between 2014 and 2020, followed by Cadre that has collected about \$ 3 bn. At the end of 2020, the overall amount raised was equal to \$ 20,3 bn, with a registered increase of \$ 5,1 bn year over year (YoY). The average size of a project in the US is \$ 1,108,490 with an average maturity equal to 18,9 months for a lending investment and 65,7 months in the case of equity projects.]

Commentato [FM1]: Aggiornato!

Considerable growth has also been seen in the Rest of the World. The Far East (APAC region) market is consolidating: the platforms in this region have collected € 3,8 billion. Currently this is the third most developed area in the world after the US and Europe. Even the Latin American RECF market is showing encouraging signs of growth, with € 240 million raised by 13 platforms.

3. Crowdfunding

An official definition of crowdfunding is still yet to come. It is a combination of:

- Microfinance:
 - Provision of relatively small amount of money (Harrison,2013)
 - Helping entrepreneur acquire money to finance their projects (Beaulieu & Saker, 2013)
- Crowdsourcing
 - Open call through the Internet (Lambert & Schwienbacher, 2010)
 - Voluntary participation of a distributed network of individuals (Gerber & Hui, 2013)

- Interaction with a community of a potential future users and customers (Ordanini et al., 2011)
- Opportunity of collecting feedback and suggestion from the crowd of the Internet users (Colombo et al., 2015)

The first time the word “Crowdfunding” appeared was in 2006 on Wired Magazine (Howe)

Lambert and Schwienbacher, in 2013, gave the first holistic attempt to provide a definition of crowdfunding: “An open call, essentially through the Internet, for the provision of financial resources either in form of donation or in exchange for some form of reward and/or voting rights in order to support initiatives for specific purpose”.

As also mentioned in this definition, it is clear that different models of crowdfunding exist, based on what crowd funders receive back for their contribution:

- Donation-based: there is no remuneration in exchange of the money pledged, because the donations are given with a social or charity purpose.
- Reward-based: donation to a project or a business are given with the expectation of having in return a non-financial reward, such as a product or a gadget. This allows a company to launch a product with an already existing cash-flow and gather an audience and feedback before the product launch.
- Equity-based: crowd funders receive shares, and in some cases voting rights, of the firm’s risk capital, which is usually an unlisted company. Crowd remuneration can be done periodically through dividends and/or through an exit.
- Lending-based: fundraisers borrow money from lenders at the cost of an interest rate.

During the years, updated versions of the definition of crowdfunding came out. The three main aspects are:

- The provision of feedback from crowd funders
- The crucial role of crowdfunding platforms
- The existence of several crowdfunding models

In conclusion: Crowdfunding is the act of collecting monetary contributions together with feedback and suggestion from the crowd of voluntary contributors (either in form of donation or in exchange for some forms of reward) through an open call on enabling web platforms.

4. Real Estate Financing

The scope of this section is to highlight the main characteristics of the **different real estate investment types, focusing on the differences of the different models.**

4.1. Real Estate Crowdfunding

In the most advanced models of crowdfunding, money is raised in order to finance an investment which is meant to give back a monetary return, leading to the use of the term “Crowdinvesting”. Real Estate Crowdfunding belong to this category: fintech logic is applied to capital collection for real estate investments, where the capital is used to purchase, develop or renovate a real estate asset with the scope of use or transaction.

It is possible to highlight three different types of RECF platforms:

- Equity RECF platforms: projects are financed by investors who receive an equity stake when they lend money for a commercial/residential property. In return, they get a share of the capital gain obtained through the sale of the property, or a share of the rental income generated. Returns are proportional to the ownership percentage. Equity investment can be direct, if the shares acquired are the ones of the property or of the crowdfunding platform, or indirect, where the crowd participate in the investment acquiring SPVs: shares of an intermediate vehicle. Indirect investments are more complex, but also more common, as a consequence of the fiscal and regulatory advantages they provide.
- Lending RECF platforms: the most common route for investors, which are investing in the mortgage loan associated with a property and get in return a fixed interest. Basically, the crowd becomes creditor of the project developer. Interests are repaid monthly or

Commentato [FM2]: Bro, quanti diffent ci sono? Ti amo uguale

Commentato [SM3R2]: 3 totali: normale, REIT e RECF

Commentato [SM4]: https://www.agenziaentrate.gov.it/portale/documents/20143/325335/Real+Estate+Crowdfunding+innovazione+inglese_Morri+INGLESE_2016.pdf/0cd9cc9b-edbc-11fd-3dcb-d44989e4a346#:~:text=Crowdfunding%20is%20a%20way%20of,the%20crowd%20through%20the%20Internet.&text=stair%20their%20projects.-.Crowdfunding%20in%20real%20estate%20started%20in%202012%20with%20the%20Jumpstart,a%20fast%20rate%20every%20year.

Commentato [SM5R4]: <https://crowdfunding-platforms.com/real-estate-crowdfunding>

quarterly, while the invested amount is fully given back at the property pay-out date (usually fixed). Loans can be different depending on:

- Seniority (Mezzanine, Junior, Senior)
 - Interest rate
 - Level of subordination
 - Risk
- Hybrid RECF platforms: the offering is a mix of lending and equity-based projects, which gives the platform more variety, and the possibility for the investors to diversify their portfolio.

As for any investment, the main difference between equity- and lending-based RECF is related to returns: equity investments have higher potential in terms of profitability, since lending projects' profits are limited by the interest rate. The difference is also related to the risk level, higher for equity options, which also are characterised by a longer duration and thus, less liquidity.

Risks are a constant for any kind of investment, of course. The same is valid for RECF ones, with some additional factors to consider, such as:

- Information asymmetry
- Moral hazard
- Illiquidity of investments
- Lack of collateral assets
- Limited power of supervisory organs
- Uncertainty in regulations.

Beside these considerations, RECF is an innovative model that is constantly growing. Its potential, already mentioned in the introduction, is high for both investors and platforms. Its growth is a consequence of many factors.

Real estate has always had a high entry barrier related to the minimum investment required, which is not existent for the RECF projects. Moreover, the pool of users is much bigger thanks to Internet and online platforms, which are easily reachable and usable, while it is more difficult

to join the closed network of the traditional real estate sector. Other noticeable aspects are related to the (usual) shorter duration of the projects and the possibility of giving and receiving feedback. In conclusion, the real innovation of RECF is connected to the concept of inclusive economy.

4.1. Alternative Real Estate Investments

As mentioned before, crowdfunding in real estate is gaining momentum and spreading rapidly. However, there are alternative models to serve this scope: the already mentioned traditional investment (Direct Investment) and, moreover, another innovative type called REITs (Real Estate Investment Trust).

Direct Investment

It is the most common and traditional way to invest money in real estate assets, by purchasing a property (partially or totally), with the scope of re-selling it at a higher price or exploit it to obtain a rental income. The main characteristics have already been discussed. To summarize:

- High amount of capital required to purchase a property. Indeed, minimum investment is a high entry barrier;
- Illiquid asset class, which may require capital for management and administration;
- Long duration;
- Difficult portfolio diversification.

Real Estate Investment Trust

It is defined as a collective fund. A REIT is a society that possesses, operates or finances income producing real estate across a range of property sector. Most of REITs trade on major stocks exchange, which allows the investors to buy and sell shares as in a traditional stock market. This solves the problem of illiquidity, typical of direct investments.

Commentato [SM6]: https://www.agenziaentrate.gov.it/portale/documents/20143/325335/Real+Estate+Crowdfunding+innovazione+inglese_Morri+INGLESE_2016.pdf/0cd9cc9b-edbc-11fd-3dcb-d44989e4a346#:~:text=Crowdfunding%20is%20a%20way%20of,the%20crowd%20through%20the%20Internet.&text=starr%20their%20projects.-,Crowdfunding%20in%20real%20estate%20started%20in%202012%20with%20the%20Jumpstart,a%20fast%20rate%20every%20year.

Commentato [SM7R6]: <https://crowdfunding-platforms.com/real-estate-crowdfunding>

Commentato [SM8]: la loro definizione è copiata da investopedia

REITs provide the possibility to invest in real estate without the need of a high amount of capital, eliminating the entry barrier of traditional investment, and they allow to reduce and share the risks. Individuals can invest in portfolios of real estate assets either through the purchase of individual company stocks, through a mutual fund, or through exchange traded fund (ETF). Becoming stockholders, they earn a percentage of the income produced by the REIT, without purchasing, financing or managing a real estate property.

To summarize, the advantages of this type of investment are:

- Affordable minimum investment required;
- High level of liquidity;
- Portfolio diversification;
- Risk sharing;
- Transparency: since REITs are regulated and listed, most of their data are disclosed and public. They are controlled and run by professional managers at all the phases. This leads to a low level of information asymmetry, both ex-ante and ex-post;
- Low transaction costs, because managers accurately select and manage the properties;
- Cash flow stability. REITs give the possibility to investors to earn a periodic dividend and potential long-term capital appreciation.

For some aspects, investments in REITs are similar to the ones in RECF. However, it is possible to highlight other advantages typical of RECF:

- Lower barriers to entry, since the minimum investment required is even less;
- More involvement of the investors, that can actively build their own investment portfolio, choosing which property they want to be involved with. This is due to the direct contact between the individuals and the online platforms, without any other intermediaries involved. Moreover, the platforms enable also a direct contact with the property developers.

Characteristics	Direct Investments	REITs	RECF
Minimum Investment	High	Low	Very Low
Liquidity	Low	High	Depends on the platform*
Transparency	Yes	Yes	Yes
Portfolio Control	Yes	No	Yes
Diversification	No	Yes	Yes
Transaction Cost**	High	Low	Low
Information Asymmetry	High	Low	High

*Some RECF platforms offer secondary exchange markets, where investors can trade shares of previous investments made during the crowdfunding campaign.

**Information costs (ex-ante), administration, maintenance, etc. (ex-post).

5. A Global Phenomenon

Commentato [SM9]: questi dati non li abbiamo ancora calcolati mi sa

5.1 Methodological Introduction

5.2 Market Overview

5.3 Business Models

RECF platforms are characterised by different offerings. The biggest one is related to the typology of investment available: equity, lending or both. In some cases, platforms offer also portfolio projects to invest in. Moreover, differences exist on the fees applied, the level of liquidity of the investments and the presence of automated investment features.

5.3.1 Offering: Equity vs Lending

As previously discussed, RECF platforms offer different types of investment. We distinguish: I

Commentato [SM10]: Loro rimettono la spiegazione di cosa sono le diverse tipologie. Io lascerei così per evitare di ripetere troppo.

- Equity-based platforms;
- Lending-based platforms;
- Hybrid platforms.

There is also another type of investment which groups some of the peculiarities of both equity- and lending-based projects. An example is Mezzanine investment (a type of subordinated loan), typical of Baltic and German platforms. It is an appealing kind of investment for lenders, since it offers potential for higher returns, and in case of default, lenders have the priority over stakeholders. On the other side, it is riskier, as the repayment of interests and capital is subordinated to that of Senior creditors and the success of the projects.

Mezzanine is appealing also for borrowers, as it involves the *leverage*, since this kind of investments often appears as equity on the balance sheet. In this way, the level of debt is lower, the borrowers seem less risky and, thus, they may obtain better interest rates by other lenders, banks for example.

DA METTERE TOTALE PIATTAFORME (EQUITY, LENDING E HYBRID)

5.3.2 Secondary market

Some of the RECF platforms, depending also on the national regulations, started to offer a different investment possibility, in parallel with the traditional project offering. Thanks to their own marketplaces, platforms can offer their investors the possibility to trade shares and bonds purchased during a campaign, increasing the liquidity of the investments.

When investors are willing to sell their securities, all they have to do is decide a reasonable price and issue their offer on the dedicated section of the platform. The latter will analyse all the securities, carrying out, for example, a prevision of the expected return, with the aim of helping those interested in buying and favouring the match of demand and offer.

5.3.3 Automated Investment

Some platforms, the ones with larger portfolios, include in their offering Automated Investment tools. Basically, the platform is delegated by investors to seek for investments and create a portfolio, thanks to technology. The investor decides the criteria of selection, such as expected return, level of risk, etc., and the tool automatically research and invest on behalf of him.

The advantages for the investors are multiple. First of all

6. The European market

The focus on the European market is based on a pool of 29 platforms, that combines for a total of 7403 financed projects. The overall capital raised accounts for 3,512,796,230 €.

6.1 Active Platforms

The platforms included in the analysis are those that play a major role in their respective countries. It is our goal to provide information on the overall European market, considering not only the players in terms of size, but also paying attention to cover as many countries as possible, to have a better overall picture.

In this context, Italy is present with four players, of which the size is smaller than platforms of similar countries, also because until 2017 RECF platforms weren't allowed to operate in Italy. Their total capital raised accounts for the 3.19% of the amount collected in Europe.

Although the market is still fragmented, some countries gained over the years a strong position, raising interesting amounts of capital. Together with Germany, the biggest player (24.01% of the total raised capital), France, Estonia and the UK, account for the 68.35% of the total raised capital, 2,400,865,556 € in absolute terms.

However, this data is decreasing in comparison to last year, when only Germany, France and UK accounted for the 73% of the total money raised. In terms of single platforms, the top 6 combines for the 49.87% (+3.87% in comparison with last year) of the total money raised.

The last two points mentioned are a sign that, despite the European market scenario is still fragmented, some countries and, in particular, some players, are reaching high enough volumes that are consolidating their position.

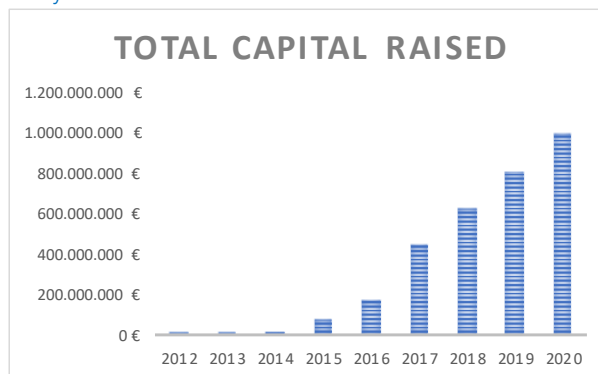
Table 2: List of main EU platforms

Platform	Country	Year funded	Type	Capital raised	Financed projects	Minimum investment
CrowdHouse	Switzerland	2016	Equity	254.300.000 €	120	100.000 CHF
Estate Guru	Estonia	2014	Lending	329.021.495 €	2294	50 €
Tessin	Sweden	2015	Hybrid	249.524.834 €	252	50000 SEK
The House Crowd	UK	2012	Hybrid	157.980.192 €	392	£1.000
WiSeed	France	2011	Lending	169.479.235 €	394	100 €
Homunity	France	2016	Lending	179.992.000 €	243	1.000 €
Anaxago	France	2014	Lending	215.000.000 €	173	1.000 €
Bergfürst	Germany	2014	Lending	119.555.260 €	83	10 €
Housers	Spain	2015	Hybrid	124.220.776 €	326	50 €
Fundimmo	France	2015	Lending	126.003.250 €	324	1.000 €
CrowdEstate	Estonia	2015	Hybrid	101.570.550 €	315	100 €
Crowd Property	UK	2015	Lending	125.103.855 €	257	£550
Zinbaustein	Germany	2016	Lending	74.550.000 €	47	250 €
Dagobertinvest	Austria	2016	Lending	66.958.474 €	172	250 €
iFunded	Germany	2016	Lending	46.809.803 €	23	250 €
Swiss Lending	Switzerland	2015	Lending	46.864.958 €	23	10.000 CHF
Exporo	Germany	2014	Lending	524.000.000 €	285	500 €
Zinsland	Germany	2015	Lending	78.658.000 €	89	500 €
BulkEstate	Estonia	2016	Hybrid	19.741.915 €	117	50 €
Rendity	Austria	2015	Lending	54.663.956 €	94	500 €
Walliance	Italia	2017	Equity	43.553.518 €	30	500 €
Concrete	Italia	2018	Equity	21.390.000 €	12	5.000 €
Trusters	Italia	2019	Lending	16.711.800 €	139	100 €
Rendimento Etico	Italia	2019	Lending	30.254.850 €	76	500 €
Nordstreet	Lithuania	2018	Lending	16.817.358 €	110	100 €
Kuflink	UK	2017	Lending	133.400.000 €	355	500 €
Kameo	Norway	2016	Lending	144.713.792 €	424	500 NOK
Property Bridges	Ireland	2018	Lending	13.439.368 €	38	500 €
Profitus	Lithuania	2017	Lending	28.516.990 €	196	100 €

6.2 Market growth

Despite Covid-19 outbreak, RECF market was able to raise, in the last year, a total of € 1.1 bn, going from 4173 to 7403 total project financed.

Figure 6: total money raised 2021-2020



In terms of platforms, Exporo maintained its position of biggest player, but slowed its growth, in comparison with last year. French platforms kept following the growing trend of 2019, with Anaxago (+121.06%) becoming its leading player and Homunity (+74.37%) being the second. It is important to notice that, in relative terms, Italy is the country that showed for every player a massive increase of both projects and capital raised, which at least doubled since last year for every platform. Walliance, the Italian leader, grew by 127.93%, while Trusters showed an increase of 389.72%, the biggest in Europe. Italian platforms are still small compared to other countries, since they account for the 3.19% of total capital raised, but it's positive to highlight how RECF is gaining momentum and will play an important role in the future. The same is valid for Ireland, where Property Bridges, the youngest platform considered, grew by 194.48% in the last year, and for Eastern countries as Estonia, where Estate Guru is the leader in terms of both capital raised and project funded (2294, the highest in Europe).

On the other and, Switzerland players are slowing their growth. CrowdHouse, the biggest platform, has not funded any project since 2018, while Swiss Lending grew by 21.91%.

The only remarkable acquisition is the one of Zinsland by Exporo, in 2019. However, Zinsland is still considered separately, because of its size and the importance it played in the past.

The same is valid for the British platform The House Crowd, which is not funding any projects at the moment. It is facing financial problems, and its future is still uncertain. However, due to its role in the sector, and the possibility of positive future scenario, the platform is still considered.

Table 3: growth of platforms

Platform	Capital raised	Amount raised until last year	Growth
CrowdHouse	254.300.000 €	254.300.000 €	0,00%
Estate Guru	329.021.495 €	193.904.174 €	69,68%
Tessin	249.524.834 €	189.483.897 €	31,69%
The House Crowd	157.980.192 €	136.189.821 €	16,00%
WiSeed	169.479.235 €	131.335.435 €	29,04%
Homunity	179.992.000 €	103.227.000 €	74,37%
Anaxago	215.000.000 €	97.257.847 €	121,06%
Bergfürst	119.555.260 €	90.505.206 €	32,10%
Housers	124.220.776 €	78.547.920 €	58,15%
Fundimmo	126.003.250 €	72.379.250 €	74,09%
CrowdEstate	101.570.550 €	64.192.450 €	58,23%
Crowd Property	125.103.855 €	63.963.664 €	95,59%
Zinbaustein	74.550.000 €	51.150.000 €	45,75%
Dagobertinvest	66.958.474 €	47.105.033 €	42,15%
iFunded	46.809.803 €	41.684.803 €	12,29%
Swiss Lending	46.864.958 €	38.441.104 €	21,91%
Exporo	524.000.000 €	476.971.720 €	9,86%
Zinsland	78.658.000 €	76.258.000 €	3,15%
BulkEstate	19.741.915 €	14.381.925 €	37,27%
Rendity	54.663.956 €	N/A	N/A
Walliance	43.553.518 €	19.108.377 €	127,93%
Concrete	21.390.000 €	7.850.000 €	172,48%
Trusters	16.711.800 €	3.412.500 €	389,72%
Rendimento Etico	30.254.850 €	10.455.850 €	189,36%
Nordstreet	16.817.358 €	8.753.690 €	92,12%
Kuflink	133.400.000 €	77.600.001 €	71,91%
Kameo	144.713.792 €	N/A	N/A
Property Bridges	13.439.368 €	4.563.822 €	194,48%
Profitus	28.516.990 €	N/A	N/A
Tot	3.512.796.230 €	2.353.023.489 €	49,29%

6.3 Business model of the main platforms

Equity-Lending-Hybrid

On the total of 29 platforms considered, most of them are *Lending-based* (21), only few are *Equity-based* (3), and the remaining ones follow a *Hybrid* business model (5). It is safe to say that, as also shown by the following chart, the money raised by lending platforms are obviously much more, in comparison with the other typologies. Moreover, different hybrid platforms, such as Tessin and Housers, are switching over the years towards a pure lending-based model. Also,

as already mentioned, the equity platform CrowdHouse has not proposed campaigns in over two years. On the opposite, many Italian platforms are still performing well and growing fast, pursuing equity-based or hybrid business models. The chart below highlights how the money is raised by the different players, while a deeper division of equity and lending projects will be further proposed.

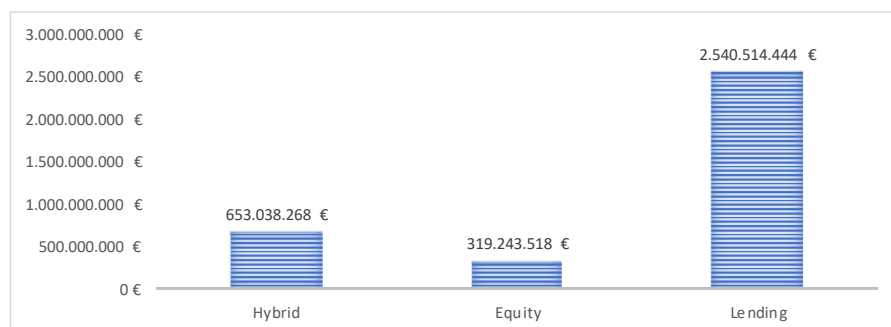


Figure 7: amount raised by business model (equity vs lending vs hybrid)

Minimum investment

The choice of the minimum investment required, as shown in table 2, is on behalf of the single platform, and represents the minimum money needed to participate to a campaign by an investor. A low minimum investment needed is one of the main characteristics of RECF sector, that attracts many investors willing to join the real estate business, without having to spend too much money.

In general, this figure varies between a symbolic amount of 10€ (as for Bergfürst) and 1000€, which is typically not surpassed. Even if most of the platforms are in this range or close to it, some players make different choices. For example, Crowd House requires a minimum investment of 100,000 CHF (91,000€), which is a strategy aimed at different kind of investors and is for sure not the standard of the sector.

Secondary market and auto-invest tools

In chapters 5.3.2 and 5.3.3, we discussed about innovative instruments that enables different possibilities for the investors, such as the one of trading shares and bonds acquired during a campaign (Secondary Market), and the one of exploit tools to automate the processes of

filtering, selecting, and investing on the projects (Auto-Invest). Of course, not every player analysed offer these possibilities. In particular,

- 9 of the 29 platforms have a *secondary market*: Estate Guru, The House Crowd, Bergfürst, Housers, CrowdEstate, Dagobertinvest, Exporo, Nordstreet and Kuflink.
- 9 of the 29 platforms offer *auto-invest* tools: Estate guru, Tessin, The House Crowd, CrowdEstate, Crowd Property, BulkEstate, Nordstreet, Kuflink and Property Bridges.

Fees and Commissions charged

First of all, it's important to highlight the fact that, unfortunately, not all the platforms are clear and precise about the fees they charge, nor in their amount or scope. With the data gathered, it is possible to say that, in general, platforms do not charge investors with any commission, except for transactions on secondary markets, while it is almost always present, in variable way and quantity, a fee on fundraisers' side.

As an example, we take Nordstreet. The Lithuanian platform is very disclosed and allows to clearly understand the amount and the scope of the fees it charges. In particular, investors are not charged of any commission, except for a 2% fee to pay on transaction made on the secondary market. On the other side, investors are charged of a one-time fee of 250€ for the project evaluation, and then, using the amount collected as basis, they are charged of a fee that vary between 3 and 6% for covering costs and operational expenses, a commission of 0.5% for termination and repayment costs and, occasionally, they could pay extra 875€ for other purposes.

However, the guidelines mentioned are not always true. In fact, Anaxago charges the investors with a fee on their invested capital, which varies between 0.5 and 2% of it, while fundraisers pay 10,000€ of fixed cost and a fee of 10% of the amount raised. Also, CrowdHouse is not clear regarding borrowers' commission, but they charge lenders 3% fee on the purchase price and potential 5-7.5% fee in case of success of the campaign.

In the table below, Italian platforms are not mentioned, since they will be further discussed in chapter.

Table 4: Fees charged by EU platforms

Platform	Fees on Investors	Fees on Fundraisers
CrowdHouse	3% of purchase price + 5-7,5% success fee	Not clear
Estate Guru	No, except for a 2% fee on the secondary market	2,5-4% intermediation fee + a possible (max) 2% administration fee
Tessin	No	Yes, but the rate is unknown
The House Crowd	5% on equity investors. No fee on lending investors	4% success fee
WSeed	0,9% fee on entry for any investment	4-10%
Homunity	8€ if he/she pays by credit card	5%
Anaxago	0,5-2% of the invested capital	10% fee + 10000 fixed for covering deal origination costs
Bergfürst	No fee on lending investors. 10€ fee on the secondary market	Yes, but the rate is unknown
Housers	Up to 10% on the investment return	Up to 10% cover fundraising, analysis, intermediation and due diligence costs
Fundimmo	Up to 2%	4-8%
CrowdEstate	No, except for a success fee (up to 20%) and a fee on the secondary market (2% + IVA)	Variable fee for due diligence, management and deal origination
Crowd Property	No	10%
Zinbaustein	No	Fee that covers marketing, processing and operations costs. The rate is unknown
Dagobertinvest	No	12-14% approx. The issuers pays an advisory and a success fee
iFunded	No	Marketing fee to covers the costs. One time fee per project + ongoing fees. Unknown rate
Swiss Lending	No	Yes, but the rate is unknown
Exporo	No	Yes, but the rate is unknown. In portfolio investments: 5.1% of the issue volume of bonds + 5% of the annual rent
Zinsland	No	Around 3%
BulkEstate	No	2-3%
Rendity	No	N/A
Nordstreet	No investment fee. 2% fee on the secondary market	One-time 250€ fee for project evaluation + 3-6% of the amount raised 5+0,5% termination+repayment fees + potential 875€
Kuflink	No investment fee. 0,25% of loan part value fee on the secondary market	Yes, but the rate is unknown
Kameo	No investment fee. 0,2% if the account has more than SEK 2.5mln and has invested less than 10% of them. Fee charged for payments from abroad	2-5% of the amount raised + potential 47500kr
Property Bridges	No	Yes, but the rate is unknown
Profitus	No	2-5% of loan amount + 1450€

6.4 The barriers to Internationalization

<https://www.unlaw.it/highlights/il-nuovo-regolamento-europeo-per-la-prestazione-transfrontaliera-del-crowdfunding/>

https://ec.europa.eu/info/business-economy-euro/growth-and-investment/financing-investment/crowdfunding_en

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R1503&rid=4>

6.5 Characteristics of the campaigns

6.5.1 Money raised and Type

To perform this analysis, projects of hybrid platforms have been considered according to their actual typology, thus, equity or lending. Most of the money was raised by lending-based campaigns, accounting for the 88.34% of the total funds collected, against the 11.66% of equity-based projects. Of course, this is influenced by what we already mentioned about the strong presence of lending-based platforms. Also, the difference is increasing over the years, because of some players that are currently not financing equity-based projects.

In terms of average size of projects, the overall value is 474,510€. Focusing on the difference typologies, equity campaigns are, on average, much bigger than the opposite one. The value, in fact, is more than double the one associated to lending typology.

Characteristics	Total	Equity	Lending
Money raised	3.512.796.229,61 €	409.478.430 €	3.103.317.800 €
Number of projects	7403	448	6955
Average size	474.510 €	914.014 €	446.200 €

Table 5: Average size of equity and lending campaigns

A deeper focus on the single platforms is provided by the table below. It is clear how players adopt different strategies. Some of them offer few projects, bigger in size, such as iFunded, Exporo and CrowdHouse, for which the average size is at least 1.8 million €. On the other hand, Estate Guru, Profitus and Nordstreet, where average campaigns are around 150k €, offer more projects, but smaller in size, giving more opportunities to smaller investors.

Platform	Type	Nr. Lending projects	Average fundraise (lending)	Nr. Equity projects	Average fundraise (equity)
CrowdHouse	Equity	-	-	120	2.119.167 €
Estate Guru	Lending	2294	143.427 €	-	-
Tessin	Hybrid	224	977.578 €	28	1.090.978 €
The House Crowd	Hybrid	226	614.225 €	166	115.454 €
WiSeed	Lending	394	430.150 €	-	-
Homunity	Lending	243	768.431 €	-	-
Anaxago	Lending	173	1.242.775 €	-	-
Bergfürst	Lending	83	1.440.425 €	-	-
Housers	Hybrid	265	377.887 €	59	395.338 €
Fundimmo	Lending	197	639.610 €	-	-
CrowdEstate	Hybrid	295	304.383 €	20	588.880 €
Crowd Property	Lending	257	363.667 €	-	-
Zinbaustein	Lending	47	1.586.170 €	-	-
Dagobertinvest	Lending	172	389.293 €	-	-
iFunded	Lending	23	2.035.209 €	-	-
Swiss Lending	Lending	23	2.239.128 €	-	-
Exporo	Lending	285	1.838.596 €	-	-
Zinsland	Lending	89	856.236 €	-	-
BulkEstate	Hybrid	104	160.101 €	13	237.800 €
Rendity	Lending	94	581.531 €	-	-
Walliance	Equity	-	-	30	1.451.784 €
Concrete	Equity	-	-	12	1.782.500 €
Trusters	Lending	139	116.537 €	-	-
Rendimento Etico	Lending	76	412.119 €	-	-
Nordtreet	Lending	110	152.885 €	-	-
Kuflink	Lending	355	375.775 €	-	-
Kameo	Lending	424	341.306 €	-	-
Property Bridges	Lending	38	353.668 €	-	-
Profitus	Lending	196	141.876 €	-	-

Table 6: average size of platforms' campaigns

6.5.2 projects in Default or Delayed

In this section, a further step is taken, analysing among the funded projects those that are or have been delayed or in default. It is important to say that, as happened before, the lack of transparency of platforms and the absence of a standard criteria used to assess whether a project is "late" or "in default", did not allow a perfect understanding of the situation.

Given this premise, we notice among the list that some platforms have, at least in relative terms, a significant number of projects in default. This regards Estate Guru (81), that accumulated 41 defaulted projects since last year, The House Crowd (65) and Kuflink (60).

It must be said that Estate Guru follows a strategy based on quantity, funding a huge number of projects (2294 total, 965 in the last year), but of small size (average of 143,427€ per campaign), that justifies the number of defaults.

Instead, The House Crowd Kuflink and, in general, British platforms, consider "in default", those projects that are delayed of more than 180 days over the target maturity date. This is a stricter criterion, which would increase the average default rate if applied by all the players.

French platforms are the more transparent, since legally obliged to disclose much information, but present almost none default projects.

Platform	Type	Nr. Projects in default
CrowdHouse	Equity	0
Estate Guru	Lending	81
Tessin	Hybrid	5
The House Crowd	Hybrid	65
WiSeed	Lending	1
Homunity	Lending	0
Anaxago	Lending	1
Bergfürst	Lending	0
Housers	Hybrid	0
Fundimmo	Lending	0
CrowdEstate	Hybrid	9
Crowd Property	Lending	3
Zinbaustein	Lending	0
Dagobertinvest	Lending	0
iFunded	Lending	0
Swiss Lending	Lending	0
Exporo	Lending	2
Zinsland	Lending	0
BulkEstate	Hybrid	0
Rendity	Lending	0
Walliance	Equity	0
Concrete	Equity	0
Trusters	Lending	0
Rendimento Etico	Lending	0
Nordstreet	Lending	2
Kuflink	Lending	60
Kameo	Lending	N/A
Property Bridges	Lending	0
Profitus	Lending	0

Table 8: projects in default

Expanding the focus on delayed projects, it is also important to enlarge the temporal horizon of analysis, to understand if Covid-19 outbreak had an impact on this data. In this sense, Estate Guru doubled the number of delayed projects since last year, while Dagobertinvest went from 15 to 48. However, the platforms are not clear on the reasons of delays, and it is then difficult to understand if Covid-19 had or not an impact. The only cases in which it is the clear cause of delays is for the Italian platforms, which are more transparent in this sense.

Many players, still, show from very few to none delayed projects, while the highest number is shown by Kuflink, with 138 campaigns that failed to close at the target maturity date.

On the other side, the analysis on reimbursed project shows a heterogeneous situation, even if, in general, the reimbursement rate is higher than 40%. In absolute terms, Estate Guru is the leader, with 1221 reimbursed projects, justified once again by the strategy adopted by the Estonian player. Zinbaustein, instead, shows the highest reimbursement rate: 64.04%.

In this context, it is important to highlight that reimbursement rate is a good proxy, but it needs to be considered with some reserves, and alongside delay and default rates. In fact, some platforms started only few years ago, and, most likely, most of the campaigns are in progress and still have not reached their maturity date. This is the case of many Italian platforms, such as Walliance and Rendity, but also of Property Bridges.

Platform	Financed projects	Reimbursed projects	Delayed projects	Reimbursement rate
CrowdHouse	120	N/A	N/A	N/A
Estate Guru	2294	1221	54	53,23%
Tessin	252	140	9	55,56%
The House Crowd	392	194	33	49,49%
WiSeed	394	170	58	43,15%
Homunity	243	99	21	40,74%
Anaxago	173	101	15	58,38%
Bergfürst	83	40	4	48,19%
Housers	324	110	14	33,95%
Fundimmo	197	84	20	42,64%
CrowdEstate	315	193	20	61,27%
Crowd Property	257	105	8	40,86%
Zinbaustein	47	30	0	63,83%
Dagobertinvest	172	32	48	18,60%
iFunded	23	10	0	43,48%
Swiss Lending	23	17	7	73,91%
Exporo	285	174	N/A	61,05%
Zinsland	89	57	11	64,04%
BulkEstate	117	59	3	50,43%
Rendity	94	12	N/A	12,77%
Walliance	30	6	3	20,00%
Concrete	12	4	0	33,33%
Trusters	139	53	13	38,13%
Rendimento Etico	76	40	3	52,63%
Nordstreet	110	57	3	51,82%
Kuflink	355	150	138	42,25%
Kameo	424	251	N/A	59,20%
Property Bridges	38	5	3	13,16%
Profitus	196	97	2	49,49%

Table 9: delayed and reimbursed projects

The last table give a clear picture of the whole situation, combining the different rates. Overall, all the platforms show good performances in terms of default rate, except for The House Crowd (16.58%) and Kuflink (17%), which however use a different criterion to define projects in default. In terms of delay rate, instead, even if it has not been possible to calculate this rate for every

platform, given the lack of data available, it is clear that performances worsen. As examples, Kuflink has the 38.87% of projects delayed, while Swiss Lending the 30.43%.

Platform	Reimbursement rate	Default rate	Delay rate
CrowdHouse	N/A	N/A	N/A
Estate Guru	53,23%	3,53%	2,35%
Tessin	66,35%	1,98%	3,57%
The House Crowd	49,49%	16,58%	8,42%
WiSeed	50,75%	0,25%	14,72%
Homunity	40,74%	0,00%	8,64%
Anaxago	58,38%	0,58%	8,67%
Bergfürst	48,19%	0,00%	4,82%
Housers	33,95%	0,00%	4,32%
Fundimmo	42,64%	0,00%	10,15%
CrowdEstate	61,27%	2,86%	6,35%
Crowd Property	40,86%	1,17%	3,11%
Zinbaustein	63,83%	0,00%	0,00%
Dagobertinvest	18,60%	0,00%	27,91%
iFunded	43,48%	0,00%	0,00%
Swiss Lending	73,91%	0,00%	30,43%
Exporo	61,05%	0,70%	N/A
Zinsland	64,04%	0,00%	12,36%
BulkEstate	50,43%	0,00%	2,56%
Rendity	12,77%	0,00%	N/A
Walliance	20,00%	0,00%	10,00%
Concrete	33,33%	0,00%	0,00%
Trusters	38,13%	0,00%	9,35%
Rendimento Etico	52,63%	0,00%	3,95%
Nordstreet	51,82%	1,82%	2,73%
Kuflink	42,25%	17,00%	38,87%
Kameo	59,20%	N/A	N/A
Property Bridges	13,16%	0,00%	7,89%
Profitus	49,49%	0,00%	1,02%

Table 10: reimbursement, default, and delay rates

6.5.3 The added value of RECF

This chapter offers an analysis of the importance of RECF financing, in relation with the value of the properties and the overall financing structure of the projects. The data were gathered from the single prospects of the campaigns or, if not possible, from the figures provided by the platforms. However, since not many of them provide information in this regard, the analysis is performed on a smaller sample of 16 of the 29 platforms.

The range is wide and goes from 12.39% (Zinbaustein) to 60.09% (Crowd Property).

It is interesting to notice that, since last year, the average RECF contribution in equity-based projects raised, because of the growth and the reputation the sector is gaining, while for lending players, the situation is similar is not equal to the one of last year.

Lending-based platforms used to have higher rates than equity-based ones, since projects are usually smaller in size and because, otherwise, the interest rates would not be attractive for investors.

Platform	Type	RECF Contribution
Estate Guru	Lending	56,07%
Bergfürst	Lending	24,70%
Exporo	Lending	23,87%
Fundimmo	Lending	14,18%
Homunity	Lending	15,72%
Zinsland	Lending	13,58%
Zinbaustein	Lending	12,39%
Dagobertinvest	Lending	21,18%
Crowd Property	Lending	60,09%
Walliance	Equity	33,32%
Concrete	Equity	49,82%
Trusters	Lending	32,31%
Nordstreet	Lending	56,48%
Kuflink	Lending	50,00%
Property Bridges	Lending	58,12%
Profitus	Lending	49,18%

Table 11: RECF contribution

6.5.4 Estimated vs Actual return rates

Despite the strong empirical effort, it was not possible to gather all platforms' return rates, especially for actual ones, because of the lack of transparency and data available.

From the table below, however, we can see that, except some players, the actual return rates realized are very close, if not higher, to the ones defined ex-ante.

As we expect, equity-based platforms usually offer higher interest rate. However, also some lending-based players allow investors to realize similar interest rates. This happen because many players, among which Crowd Estate, Estate Guru and Zinsland offer mezzanine loans, which are riskier and, thus, higher returns.

Platform	Types	Financed projects	Reimbursed projects	Estimated return	Actual returns
Crowd House	Equity	120	N/A	N/A	N/A
Estate Guru	Lending	2294	1221	10,80%	6,32%
Tessin	Hybrid	252	140	9,97%	N/A
The House Crowd	Hybrid	392	194	8,64%	N/A
WiSeed	Lending	394	170	9,74%	9,82%
Homunity	Lending	274	50	9,22%	9,01%
Anaxago	Lending	173	101	9,81%	9,08%
Bergfürst	Lending	83	40	6,47%	N/A
Housers	Hybrid	324	110	8,22%	8,32%
Fundimmo	Lending	197	84	9,16%	9,16%
Crowd Estate	Hybrid	315	193	N/A	9,82%
Crowd Property	Lending	262	105	7,96%	8,36
Zinbaustein	Lending	47	30	5,23%	5,25%
Dagobertinvest	Lending	172	32	7,01%	N/A
iFunded	Lending	23	10	5,72%	N/A
Swiss Lending	Lending	23	24	7,93%	8,14%
Exporo	Lending	285	118	5,37%	5,45%
Zinsland	Lending	89	57	6,43%	6,08%
BulkEstate	Hybrid	117	59	13,94%	N/A
Rendity	Lending	94	12	6,19%	N/A
Walliance	Equity	30	6	11,48%	10,08%
Concrete	Equity	12	4	12,22%	10,19%
Trusters	Lending	139	53	9,20%	N/A
Rendimento Etico	Lending	76	40	10,38%	N/A
Nordstreet	Lending	110	57	11,85%	12,44%
Kuffink	Lending	355	150	7,20%	6,78%
Kameo	Lending	424	251	N/A	9,10%
Property Bridges	Lending	38	5	7,79%	N/A
Profitus	Lending	196	97	8,88%	9,61%

Table 12: Estimated vs Actual return rates

A deeper focus on hybrid platforms is provided by table 13, where differences in return rates of lending and equity campaigns are analysed. Apart from The House Crowd, return rates associated to equity projects are higher than the ones of lending ones.

Platform	Equity	Equity return rate	Lending	Lending return rate
Crowd Estate	20	20,37%	295	9,10%
The House Crowd	166	8,43%	226	8,79%
Tessin	28	12,14%	183	9,70%
Housers	8	8,77%	100	8,10%
BulkEstate	13	16,00%	104	13,77%

Table 13: Hybrid platforms detailed return rates

6.5.6 Duration of the campaigns

The next step of the analysis regards average durations, calculated in months, of projects for each platform, distinguishing equity, and lending ones. This data gives information regarding the time the invested money are locked, which influences both the expected return (since it impacts the cost of capital) and the financial condition of the crowd.

Overall, lending campaigns have a shorter average duration, and this is clear especially looking at hybrid platforms. Looking at equity-based projects, Walliance is the one which usually offers the “fastest” projects, with an average duration of 19.7 months, while the opposite is valid for Housers, with 43 months.

In lending RECF, The House Crowd average duration of campaigns funded is 9.8 months, the shortest, while the longest is the one of Exporo, with 29.3 months.

Platform	Average Duration of Lending Projects	Average Duration of Equity Projects
Crowd House	-	N/A
Estate Guru	14,1	-
Tessin	16,9	28,6
The House Crowd	9,8	34,8
WiSeed	19,0	-
Homunity	21,7	-
Anaxago	20,4	-
Bergfürst	28,2	-
Housers	24,0	43,0
Fundimmo	19,6	-
Crowd Estate	14,2	33,3
Crowd Property	13,6	-
Zinbaustein	21,3	-
Dagobertinvest	19,6	-
iFunded	23,1	-
Swiss Lending	20,3	-
Exporo	29,3	-
Zinsland	21,1	-
BulkEstate	N/A	N/A
Rendity	26,8	-
Walliance	-	19,7
Concrete	-	30,5
Trusters	10,4	-
Rendimento Etico	12,5	-
Nordstreet	15,6	-
Kuflink	12,5	-
Kameo	N/A	-
Property Bridges	14,1	-
Profitus	12,3	-

6.6 Characteristics of funded projects

Once the financial and technical characteristics of the projects have been described, the focus switched to the qualitative analysis, which aims at describing three main aspects:

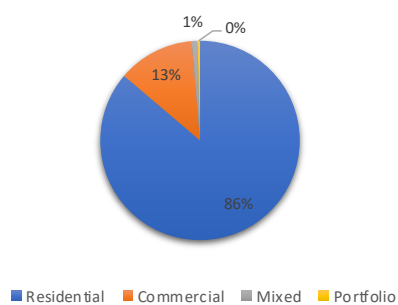
- Type of property: Residential or Commercial.
- Location of the project: Metropolitan, Urban or Rural area.
- Type of intervention: Construction or Renovation.

Type of property

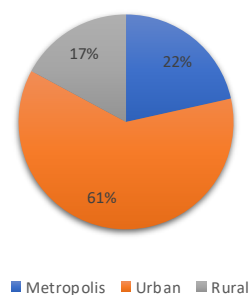
Among all the projects analysed, the two main categories found are residential or commercial properties. However, there are campaigns that aim at big properties, which include both

residential and commercial destinations. Because of this, they go under the name of “Mixed”. Furthermore, we also have some investments related to different properties both in terms of destination and, potentially, location, called “Portfolio Investments”.

As shown by the graph below, Mixed and Portfolio investments represent a very small part of the total, accounting for less than 2% combined. The majority of RECF campaigns are clearly directed towards residential properties (86%), while the remaining toward commercial ones (13%). In comparison with last year, we find a huge decrease in mixed investments (from 9% to 2%), and a smaller one for commercial properties (from 20% to 13%), with residential projects hugely increasing (from 70% to 86%). It is possible to say that in the last year, platforms favoured smaller residential properties.



Location of the projects



7. The Italian market

7.1 Market overview and legal framework

In Italy RECF platforms (Walliance and Housers) started to operate only in 2017. Walliance was the first one authorized by CONSOB (Commissione Nazionale per le Società e la Borsa), following the “Legge di Bilancio 2017”; this allows all Italian SMEs, and not only start-ups and innovative SMEs to have access to crowdfunding as a source of financing.

As of June 30th, 2021, in Italy RECF platforms have raised € 134,758,005; only the six platforms analyzed in this section has collected € 120,437,780 (89,37% of the total money raised)

The most relevant platforms in Italy:

- Walliance: the Italian market leader and first platform to be authorized by CONSOB. It offers Equity RECF opportunities, it has financed 27 projects for an overall amount of € 38 million. So far, Walliance has reimbursed five projects.
- Concrete: equity-based platform that has successfully funded 11 projects, of which 10 are in Milan. The total value of money raised is equal to € 19,59 million. The platform has reimbursed three projects.
- Trusters: a lending-type of platform, that was established in December 2018. Trusters has raised about € 13,4 million, financing 115 projects with short maturity – usually lower than one year – and most of all located in Lombardy.
- Rendimento Etico: a lending platform founded in April 2019. In two years, it has been able to collect € 27,2 million, financing 66 projects. This platform, as suggested by the platform’s name, has a unique business model, where the “ethic” plays a fundamental role. The core of the strategy is to help people living difficult economic conditions and subsequently obliged to sell their houses. Therefore, investors can finance the purchase of assets posted as collateral for deteriorated loans.

Besides the listed native platforms, there are also two European players that are active in Italy and have financed projects in the Country. Both are hybrid, but in Italy they have only offered lending options.

- Crowd Estate: an Estonian platform that has financed 43 projects in Italy for an amount of loans equal to € 9,2 million.

- Housers: a Spanish player. It has been able to finance 49 campaigns with € 12,95 million raised.

In addition to the six most relevant players listed above, other younger and smaller platforms have offered RECF investment opportunities. Together, House4Crowd and Build Around, CrowdFundMe, BackToWork24 and MamaCrowd (Equity), and Re-Lender, Bridge Asset and Recrowd, Valore Condiviso, Italy-Crowd and Build Lenders (Lending) have raised about € 14,3 million.

Concerning the distribution of the properties, most of them are in the north of the country, and specifically in the city of Milan, which is equal to 34,7% of the total number. Milan and Lombardy (24,7%) represent about 60% of the total share. In addition, compared to last year, Emilia Romagna and Tuscany are gaining more relevance (17,7% vs 13% last year).

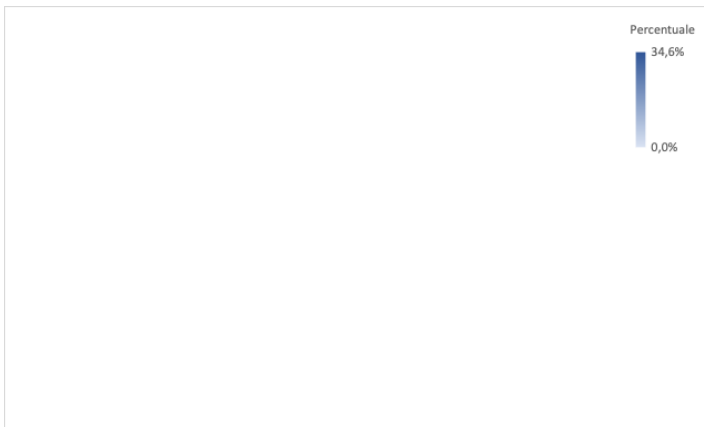


FIGURE 11: RECF IN ITALY

7.2 Market Players

We considered here the numbers of main platforms, that were established after 2017, to understand their relevance in the Italian context. Of course, the total volumes are smaller

compared to the previous ones. Anyway, the four major native Italian platforms raised almost € 100 mln. between 2017 and 2021 Q1, which corresponds to 71% of the total money collected in the Italian market. The following graph shows the impressive amount raised by each platform year by year. While Walliance is still the market leader, collecting about € 38 million, the new platforms between 2018 and 2021 Q1 has been able to catch up and achieve considerable volumes. For instance, Rendimento Etico, which was established only in 2019, already has raised about € 27,2 million. Today, not considering Crowd Estate and Housers, based not in Italy, Walliance has a market share of 39%, followed by Rendimento Etico (28%), Concrete (20%) and finally Trusters (13%).

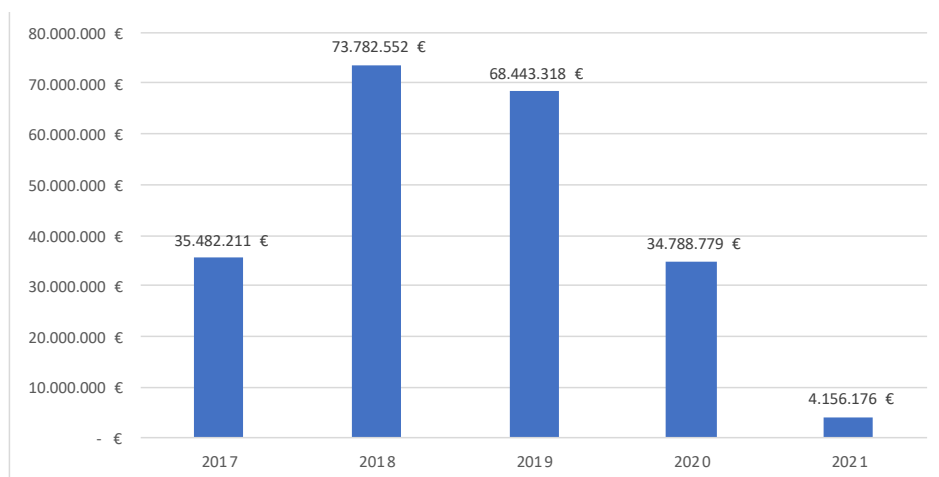


FIGURE 12: MONEY RAISED 2017-2021

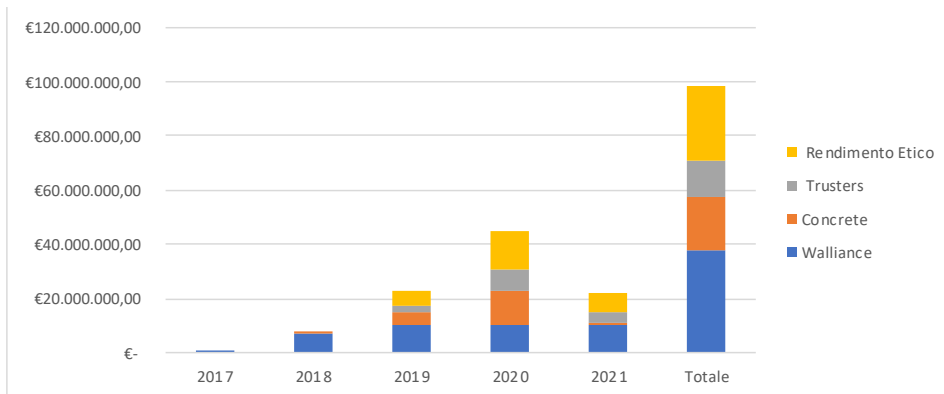


FIGURE 13: MONEY RAISED BY ITALIAN PLATFORMS (2017-2021)

7.2 Characteristics of campaigns

In this section we exploit in detail the financed campaigns so far; we consider, as in the previous chapter the six major platforms existing in Italy. We consider as a first step the type of projects: equity campaigns are 38, while lending ones are 276. Considering a financial perspective equity projects raised € 57,632,330 (47,9%), while lending collected € 62,805,450 (52,1%). The average size of an equity campaign is equal to € 1,515,640 and of a lending one equal to € 227,556. The following table shows detailed data for each platform.

Table 16. Average size of RECF campaigns in Italy (Equity vs. Lending)

Platform	Money Raised	Type	Nr Projects	Average Fundraise
Walliance	38.042.330,00 €	Equity	27	1.408.975,19 €
Concrete	19.590.000,00 €	Equity	11	1.780.909,09 €
HousersITA	12.950.500,00 €	Lending	49	264.295,92 €
CrowdEstateITA	9.253.300,00 €	Lending	115	116.537,39 €
Trusters	13.401.800,00 €	Lending	46	201.158,70 €
Rendimento Etico	27.199.850,00 €	Lending	66	412.118,94 €

Considering the duration of investment there is a substantial difference between equity and lending campaigns; the former has an average maturity equal to around 23,5 months and the latter equal to around 15 months. We must underline that lending platforms, in particular

Spanish Housers, tend to overestimate duration compared to the actual length of the investment.

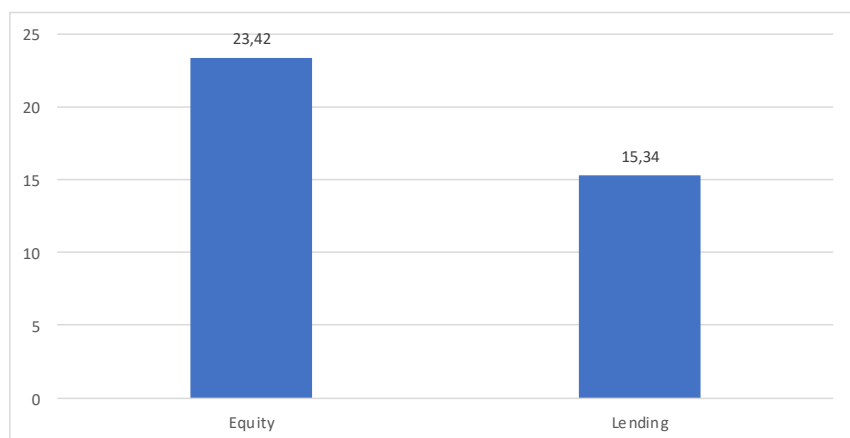


FIGURE 14: AVERAGE MATURITY OF INVESTMENTS

7.4 Characteristics of properties

From a qualitative perspective, we can infer that Italy is in line with the rest of Europe. Among the financed projects, differently from last year, the gap between construction and renovation projects is increasing (56% vs 44%). Investors prefer properties based in urban areas (62%), while Metropolitan context collect 31% (it was 39% last year); in the end investments in rural context are 7%. Considering the purpose, commercial projects are the same of the last year (2%), while residential projects (98%) were doubled in terms of money raise (€ 114,474,980 vs € 52,795,515 in 2020 Q1).

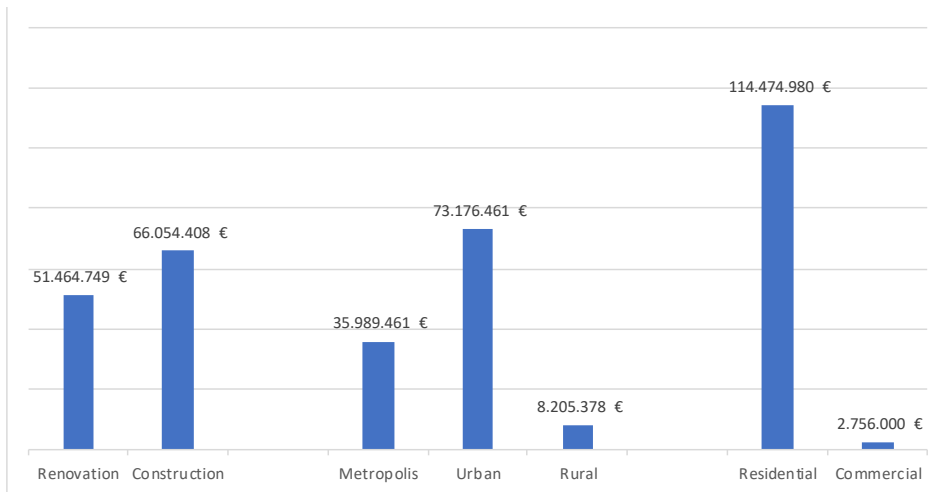


FIGURE 15: MONEY RAISED PER TYPE OF INVESTMENT

The final goal of each campaign is to finance a single property, except one campaign launched by Walliance, called "Investi Con Me": in this case the vehicle invested in several real estate projects in Italy.

Considering lending platforms, it's not unusual for the same property to be financed thanks to several tranches, published on the website in different moments, whereas this never happened to equity projects so far. While until the last year only 10% of projects had more than one tranche, 11,6% of projects have been financed through two rounds and 3,99% has required three or more. This happens when the project at the end aims at proposing a lot of apartments to be renovated or built; as soon as the apartments are sold and capital reimbursed, the developing company has margin to require new funds through other rounds.

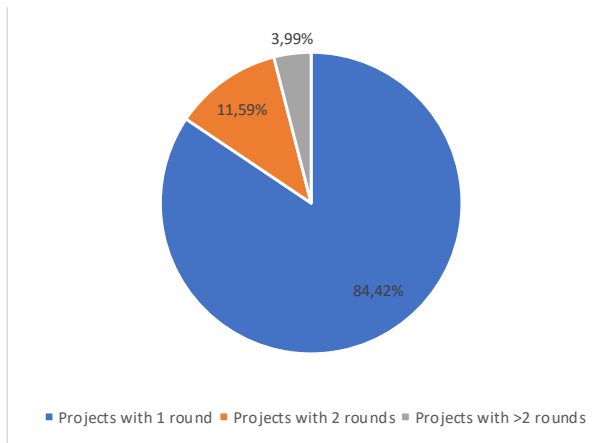
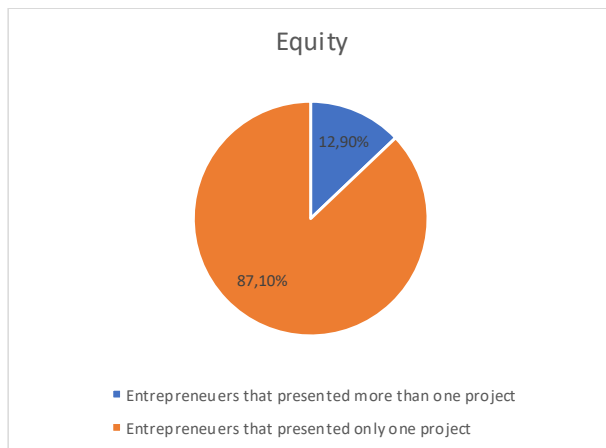


FIGURE 16: PROJECTS FINANCED BY ONE OR MORE FUNDING ROUNDS

The same real estate developers may require funds for more projects: on one hand, this depends on the experiences gained in the previous campaigns. On the other one, investors can choose among trustable fundraisers with a punctual and reliable track record of reimbursing capital on time.

The following table shows that only 12,9% of entrepreneurs that collect funds through equity platforms have presented more than one campaign. This percentage is more than double if we take into consideration lending platforms, and it's equal to about 28,2%.



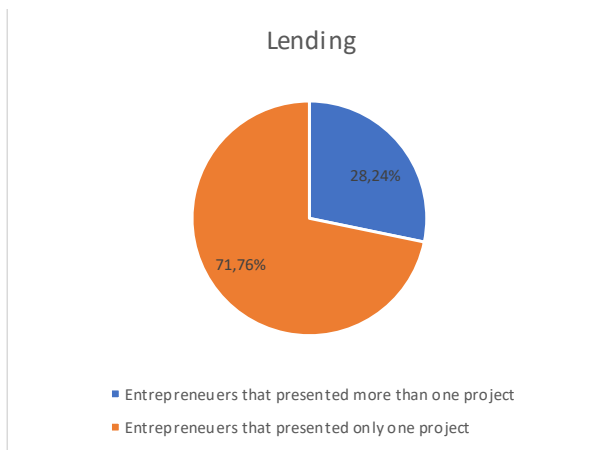


FIGURE 17: SHARE OF ENTREPRENEURS

7.5 Characteristics of investors

In Italy, 85,372 people decided to invest in RECF campaigns. In average, each person invests € 855,32 in lending projects, while € 4826,62 if the investor exploits equity platforms.

Table 17. Average investment per person

Platform	Money Raised	Type	Nr Investors	Average Investment
Walliance	38.042.330,00 €	Equity	10.702	3.554,69 €
Concrete	19.590.000,00 €	Equity	1.241	15.785,66 €
HousersITA	12.950.500,00 €	Lending	24.118	536,96 €
CrowdEstateITA	9.253.300,00 €	Lending	22.365	413,74 €
Trusters	13.401.800,00 €	Lending	13.057	1.026,41 €
Rendimento Etico	27.199.850,00 €	Lending	13.889	1.958,37 €

As we can see from the table above, the record of highest investment per person is held by Concrete, but it's important to highlight that the minimum investment in this platform is equal to € 5000. The lowest one is held by Concrete, since the minimum investment required is € 100; in this case the average investment is equal to € 413,74.

7.6 Fees and commissions

The following table shows a description of the fees applied by Italian RECF platforms. To obtain a clear sight of the Italian context, we include all the aforementioned portals. In some cases, it was not possible to find data about commissions required to real estate construction companies.

Commentato [FM11]: Vorrei dire portali citati sopra

Table 18: Fees and commission applied by Italian platforms

Platform	Fees on Investors	Fees on Fundraisers
Crowdstate	Not applied; 2% fee on secondary market; success fee in case of return exceeding expectations	4% to cover due diligence expenses
Housers	€ 0-2.5/month + 10% commission	10% to cover fundraising, due diligence and intermediation cost
Walliance	Not applied	Applied in case of successful fundraise. If the raised capital is lower than 2,000,000, the fee is 6.5%, otherwise equal to 5%. In addition the platform may request a tutoring fee.
Concrete	Variable between 1% and 3%, computed on the basis of the invested capital	Fixed retainer fee to cover due diligence and potential success fee
Trusters	Not applied	Between 6% and 11% on the basis of the money raised
Rendimento Etico	Not applied	Fixed amount related the valuation and deal presentation, variable fee based on amount of money raised, 1% fee on the money raised to finance default guarantee fund
Re-lender	Not applied	Variable on the basis of capital to be raised. Fees are paid in case of successful campaign and composed by fixed commission to cover due diligence and variable fee based on the money raised
House4Crowd	Not applied	Around 7% of the money raised
Bridge Asset	Not applied	Yes, but the rate is unknown
Recrowd	Not applied	Around 2.5%
Build Around	Not applied	Build Around applies a commission around 4%-7% to cover due diligence and intermediation services
Valore Condiviso	Not applied	Yes, but the rate is unknown
Italy Crowd	Not applied	Yes, but the rate is unknown
Build Lenders	Not applied	Yes, but the rate is unknown
Isicrowd	Not applied	Yes, but the rate is unknown
Re/source	Not applied	Yes, but the rate is unknown

Considering the transparency of the platforms, there are huge differences about them. Generally, all platforms are clear explaining the fees charged to investors, also because only CrowdEstate, Housers and Concrete ask crowdfunders to pay for the services; since investors are platform's subsidy-side, it is important for platform to advertise this choice.

Considering the other side, the fundraisers, that represent the money-side, have to pay some fees. It is more difficult to discover information on the explanation and the rate of the fees applied. Rendimento Etico, Housers and CrowdEstate provide clearly their fee structure in the F.A.Q. section of their website.

From the point of view of transparency, there are significant differences between the platforms. In general, all platforms are quite transparent when it comes to explaining the kind of fees charged to investors. This is obviously also due to the fact that very few of them actually do ask crowdfunders to pay for the platform's services. The vast majority of the RECF players do not

apply fees on investors, as they are their subsidy-side. As a consequence, it is important for them to advertise this to investors.

The situation is different for fundraisers. In this case, all the platforms active in Italy charge money from this side (money-side). However, it is more difficult to retrieve information on the nature and rate of the fees applied. From this point of view, Housers, Crowd Estate and Rendimento Etico are three positive examples: these platforms clearly explain their fee structure publicly, in the F.A.Q. section of their website. However, in the case of Rendimento Etico we could not find a precise rate for all the fees charged, which could mean either that they are not standard or that they are not publicly available. Other players, such as Walliance and Concrete, present this information in the "Terms and Conditions" section. This document, while being correctly published on their websites, is, in comparison, less easily found.

Trusters, Build Around and House4Crowd present the commissions charged to fundraisers in the Business Plans of each single project (so the fees may be variable, depending on the money raised and due diligence results).

Finally, it was not possible for us to collect information on Re-Lender and Bridge Asset, although we could find documents explaining the types of fees requested and the services they are meant to cover.

7.7 Use cases

This paragraph examines in detail each major platform operating in Italy, outlining some use cases, based on some projects concluded.

Walliance

The platform, born in September 2017, is the first RECF authorized by CONSOB to operate in the country. The founder and CEO, Giacomo Bertoldi, launched the platform, after analysing the Real Estate market in USA and the arising forms of investing.

From its birth, Walliance has financed 27 equity-based projects for amount of about 38 million. The minimum investment is € 500. It is the market leader and usually its campaigns present

overfunding rate. Walliance has already reimbursed to investors five projects with an actual average return rate equal to 10,52%. The following graph highlights the growth year by year.

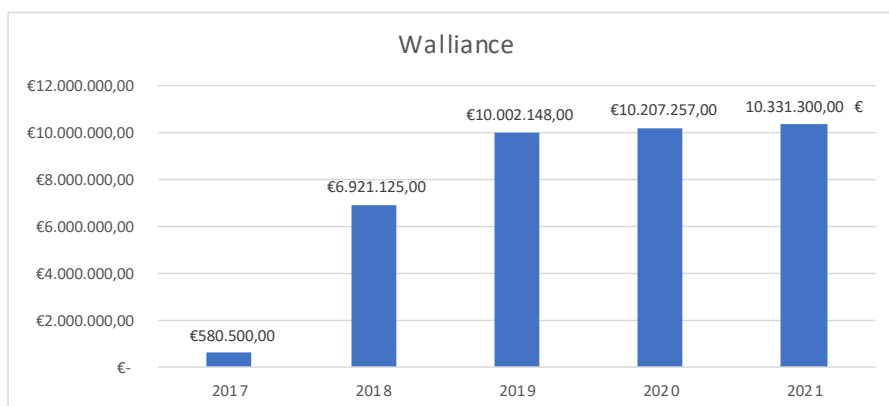


FIGURE 18: WALLIANCE GROWTH

Walliance has mostly financed projects located in Italy. Only two projects are in the US, specifically in Miami (Wynowood 9) and New York (Brooklin 669).

“Milano, via Fulcieri”

This is the first cross-border campaign; it's the last project launched by the platform, collecting € 2,500,000 both from Italy and France in about one hour. The project is related to the demolition of the existing building in via Fulcieri 11 and the construction of a residential property with 33 units. The duration of the project is equal to 24 months and the estimated ROI 26%.

“Firenze, Nuovo Conventino”

It is one of the last campaigns financed this year. It collected € 2,500,000, while the required amount of money was € 1,250,000. The project entails the demolition of an existing building and the subsequent reconstruction of a residential property, composed by 36 housing unit, located near the centre of Florence. The estimated ROI in this project is equal to 11,52%.

“Trento, via Grazioli”

Investors pitched € 3,000,000, twice the amount required by the platform. The project refers to the demolition and the subsequent reconstruction of a residential building, composed by 10

housing unit, located near the centre of Trento. The estimated ROI in this project is equal to 11,50% and the estimated period equal to 18 months.

Concrete

Concrete is an equity platform as Walliance, founded in 2018 in Milan. The platform financed 11 projects and collected a total amount of capital equal to € 19,590,000. All its projects are based in Milan, excluding “Le dimore di via Arena”, based in Bergamo with Immobiliare Percassi. The platform requires a very high minimum investment of at least 5,000 €, much higher than other equity platform; Walliance for example requires a minimum equal to € 500 in the majority of the campaigns. The average duration of Concrete’s projects is about 20 months.

“Milano, Park Tower”

The project is located in neighborhood of Feltre in Milan. The objective is the development of a housing complex, composed by 3 buildings and 123 apartments. In general, Concrete campaigns are characterized by minimum and maximum investment objectives. Each campaign collected 100% of the maximum allowed. This project has an estimated IRR of 18.1%, the highest one proposed by the platform and an expected ROI of 64,7%, for a total duration of 36 months.

Rendimento Etico

It is the lending platform able to collect the highest amount of money, specifically it raised € 27,199,850. It was founded in 2019 and financed 66 projects. It presents a unique business model: investors lend their money to finance people that might lose their house. The average duration of investment is 12,5 months; the minimum investment is equal to € 500, while the estimated ROI is 10,55%. All its projects were financed by 13,889 people.

“Palazzo 40, Sesto San Giovanni”

This project was financed in September 2020 with an estimated duration equal to 18 months. The crowdfunding campaign reached the maximum objective of € 600,000, set by the platform. The project refers to a renovation with the objective of building 8 housing unit. The estimated

ROI in this project is equal to 10,81%. A peculiar characteristic of Rendimento Etico is the capability to conclude financing rounds in a small number of hours.

Trusters

Trusters is the second largest lending platform born in Italy. The company has launched 115 real estate projects and raised € 13,401,800 thanks to a community of 13,057 investors. The minimum amount required is equal to € 100, although the average investment per person is € 1,026. The platform can be considered innovative; with Swiss Crowd, Trusters developed a decentralized and safe register, based on blockchain. In this section, there different available information:

- Deal origination information: Maximum investment target; beginning and end of the fundraiser; expected due date; interest rate of the loan; yearly ROI.
- Borrowers' information: "Partita IVA" of the developers; company name.
- Property information: complete land registry information of the property.

Furthermore, the platform developed two interesting channels: Trusters Pro and Trusters Lounge; the first one is a community where people can create a network and discover opportunities with highest rates compared to the ones proposed to standard investors. Trusters Lounge let entrepreneurs and SPV create an online safe room, where the different funding and communications with investors can be held.

"Bergamo, via Broseta"

This project was one of the last reimbursed to investors. The fundraiser, which reached the maximum amount equal to € 100,000 had as objective the renovation of an apartment in the urban area of Bergamo. The estimated ROI was 4,5% in six months (9% annualized). The platform has been able to return money to investors one month in advance.

8. The US market

8.1 Active Platforms

In this chapter, we introduce the US market that is certainly the largest in terms of capital raised and the market where the crowdfunding in real estate was born. Most of them were born

Commentato [FM12]:

Commentato [FM13]: Mentre cercavo altra roba ho trovato questo sito che parla delle piattaforme svizzere <https://invest.lebijou.com/insights/crowdfunding/real-estate-crowdfunding-switzerland/>
Interessante sviluppo

between 2012 and 2014; in this analysis we consider 16 platforms, although the real number is higher. In any case, obtaining detailed information about the financed project is difficult, due to data unavailability.

The following table shows the list of platforms we considered. The volumes are larger than that of European Platform: only these platforms have been able to raise about 19 billion. The market leader with more than € 4 billion raised is PeerStreet, followed by Cadre, which has collected about € 3 billion. Considering the average amount of money raised for each campaign, these two leaders follow different strategies; PeerStreet has an average collection of \$ 454,545, while Cadre equal to \$ 78,947,368.

Table 19. The main RECF platforms in the US

Platform	Year Funded	Money Raised	# Projects	Equity	Lending	Minimum Investment
1031 crowdfunding	2014	\$ 2.200.000.000	N/A	X		\$ 25.000,00
Cadre	2014	\$ 3.000.000.000	38	X		\$ 50.000,00
Cardone Capital	2014	\$ 572.488.000	27	X		\$ 5.000,00
CrowdStreet	2013	\$ 1.900.000.000	488	X	X	\$ 10.000,00
CrowdTrustDeed	2014	\$ 178.820.000	431		X	\$ 20.000,00
Equity Multiple	2015	\$ 205.000.000	137	X	X	\$ 10.000,00
FundThatFlip	2014	\$ 450.000.000	1450		X	\$ 5.000,00
PatchofLand	2012	\$ 750.000.000	1571		X	\$ 1.000,00
PeerStreet	2014	\$ 4.000.000.000	8800		X	\$ 1.000,00
Prodigy Network	2013	\$ 690.000.000	7	X		\$ 10.000,00
RealityMogul	2012	\$ 600.000.000	480	X	X	\$ 5.000,00
RealityShares	2013	\$ 870.000.000	1166	X	X	\$ 1.000,00
Sharestate	2014	\$ 2.534.284.274	2832		X	\$ 1.000,00
YieldStreet	2015	\$ 410.000.000	82		X	\$ 1.000,00
ZeusCrowdfunding	2016	\$ 46.972.118	190		X	\$ 5.000,00
Intoo	2015	\$ 670.000.000	383	X	X	\$ 25.000,00

8.2 Important Developments

Commentato [FM14]: Sto pensando

8.3 Business Model of the platforms

Concerning the strategy adopted by each platform, in the US there is a peculiar situation compared with the one in Europe, where most platforms are **lending (%)**. Here the situation is more balanced; 43,75% of platforms follow a lending model, 25% an equity, while 31,25% are hybrid.

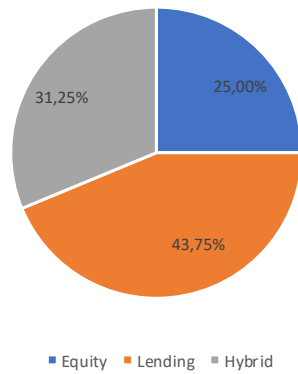


FIGURE 19: US PLATFORMS BY TYPE

Minimum Investment

Referring to Table 19, we can analyze the minimum required investment of each platform, which in any case is much higher compared to Europe. The cheapest amount of requested money is equal to \$ 1000 in only five platforms, while the median is equal to \$ 5000. In US there are different type of investors: non accredited and accredited. Non accredited are not professional investors and they have not to send any documentation. Most of platforms accept only accredited investors. Rule 501 of Regulation D of the Securities Act of 1933 (Reg. D) clarify the definition of accredited investor. The U.S. Securities and Exchange Commission (SEC) defines an accredited investor through the confines of income and net worth in two ways:

- A natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year.
- A natural person who has an individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person

8.4 Fees and commissions

Regarding the commissions that are applied to sponsors, the percentages vary from 0,25% to 5%, excluding 1031 crowdfunding with a percentage equal to 13%. As an example, we

consider PeerStreet, the biggest lending platform, that have collected about \$ 4 billion in about 8800 projects since 2014. Peerstreet applies a servicing fee on each loan offered. This fee is a spread between the interest rate payable on a loan and the interest rate you receive as an investor. In this way the platform has been able to align its interest with investors. Generally, the servicing fee is in the range of 0.25%-1.00%.

Table 20. Fees and commission charged by American platforms

Platform	Fee on partner	Fee on investors (intermediation)	Fee on investor (management)	Market fee
1031 crowdfunding		X	X	
Cadre		X	X	X
Cardone Capital		X	X	
CrowdStreet	X	X	X	
CrowdTrustDeed		X		X
Equity Multiple	X	X	X	
FundThatFlip	X			
PatchofLand			X	
PeerStreet		X		
Prodigy Network	X	X	X	
Reality Mogul		X	X	
RealityShares	X			
Sharestate	X			
YieldStreet			X	
ZeusCrowdfunding	X			
Intoo		X	X	X

Table 24. Fees applied by American platforms

Platform	Fee on partner	Fee on investors (intermediation)	Fee on investor (management)	Market fee
1031 crowdfunding		Total 13%		
Cardone Capital		1-2%	2%	
CrowdStreet		Total 3%-4%		
CrowdTrustDeed		250 + 0.25% (yearly basis)		
Equity Multiple	3%		0.5% - 1.5%	10%
FundThatFlip	2% - 4%			
PatchofLand			1% - 2%	
PeerStreet		1%		
Prodigy Network	1%	3%	1%	
Reality Mogul		3%	0.3% - 0.5%	
RealityShares	1%			
YieldStreet			3%	
Intoo		Total 12% - 13%		

8.4 Characteristics of financed projects

8.4.1 Projects Size

As shown in Table 22, the average size of the projects is very different depending on the different platforms. Zeus has the lowest average with \$ 247,221, while Prodigy Network has an amount of money equal to \$ 98,5 million. In any case, equity platforms launched 72 projects with an average equal to \$ 59,201,222; lending platforms proposed 15,356 projects and the average amount of collected money is \$ 545,069; the hybrid platforms we decided to analyze presented 2654 projects with an average equal to \$1,599,472.

Table 22. Investment characteristics

Platform	Average size (equity platform)	Average size (lending platforms)	Average size (hybrid platforms)
1031 crowdfunding	N/A		
Cadre	\$78.947.368,42		
Cardone Capital	\$21.203.259,26		
CrowdStreet			\$3.893.442,62
CrowdTrustDeed		\$414.895,59	
Equity Multiple			\$1.496.350,36
FundThatFlip		\$310.344,83	
PatchofLand		\$477.402,93	
PeerStreet		\$454.545,45	
Prodigy Network	\$98.571.428,57		
RealityMogul			\$1.250.000,00
RealityShares			\$746.140,65
Sharestate		\$894.874,39	
YieldStreet		\$5.000.000,00	
ZeusCrowdfunding		\$247.221,67	
Intoo			\$1.749.347,26

8.4.2 Projects duration

Observing the duration of the financed projects, Table 23 highlights the huge difference in US compared to the European platforms. In Europe the average duration of each project in both cases (equity and lending) is less months rather than in US. In any case, compared to the previous year, maturity for equity projects has decreased (from 71,4 months to 65,7 months), while for lending platforms the average duration has remained stable.

Table 23. Average maturity of projects

Platform	Maturity equity platform	Maturity lending platform
1031 crowdfunding	102,0	-
Cadre	100,8	-
Cardone Capital	120,0	-
CrowdStreet	63,5	48,0

CrowdTrustDeed	-	28,7
Equity Multiple	41,2	17,4
FundThatFlip	-	9,5
PatchofLand	-	7,0
PeerStreat	-	14,6
Prodigy Network	40,3	-
RealtyMogul	N/A	N/A
RealtyShares	21,4	12,2
Sharestate	-	12,3
YieldStreet	-	14,0
ZeusCrowdfunding	-	15,2
Intoo	36,0	36,0

8.4.3 Return rates

US platforms offer to investors higher returns in equity projects compared to lending projects (12,49% vs 9,10%). Lending platforms propose returns between 8% and 11,5%, while equity between 5% and 17.6%. Considering equity platforms, the percentages show a huge difference among different platforms, since most of them consider the capital gain calculated at the time of the reimbursement, while others, as 1031 Crowdfunding, calculate this percentage referring only to the annual income generated by the usage of each property and rents. Differently from European platforms, in US no one publish actual returns ex post; consequently, to confront expected and actual returns is not possible.

Table 24. Target return rates (Equity vs Lending)

Platform	Type	Target Return Equity	Target Return Lending
1031 crowdfunding	Equity	5,91%	
Cadre	Equity	10,05%	
Cardone Capital	Equity	15,00%	
CrowdStreet	Hybrid	17,60%	N/A
CrowdTrustDeed	Lending	10,00%	9,90%
Equity Multiple	Hybrid	15,70%	9,50%
FundThatFlip	Lending		9,25%
PatchofLand	Lending		10,65%
PeerStreet	Lending		6,20%
Prodigy Network	Equity	14,00%	
Reality Mogul	Hybrid	15,00%	N/A
RealityShares	Lending		N/A
Sharestate	Lending		10,05%
YieldStreet	Lending		11,29%
ZeusCrowdfunding	Lending		7,58%
Intoo	Hybrid	9,17%	9,17%

8.5 Successful platforms

PeerStreet

Founded in late 2014, it is the biggest lending platform in US, that has funded more than 8,800 projects totaling about \$ 4 billion on its marketplace. It provides only accredited investors with opportunities to invest in real estate loans. It has had a tremendous growth during 2020 with an amount of money raised equal to 1 billion. One peculiar characteristic of the platform is the automated investing: investors can set their preferred investment criteria, and PeerStreet will allocate uninvested capital into loans that match these preferences. Investors can decide if proceed until 24 hours before the launch of investment. The average investor has earned a 6.2% actual annualized return, while the median is 8.2%. Moreover, the platform has launched PeerStreet Pocket to enable customers to earn interest on their available cash while waiting for new investment opportunities.

Intoo

Founded in 2015, It is a RECF platform founded offering commercial real estate investments for accredited investors and also real estate investment fund options. The Intoo Opportunity Fund was launched in the wake of the COVID-19 outbreak. It also owns a joint venture with RREAF Holdings that owns and manages the asset formerly managed by RealtyShares following the company's failure. The platform has a strong and transparent track record, available also on its

website, it is restricted to accredited investors, as many other American platforms. The average investor in a deal has earned an average annual yield of 9.17% and a median exit annual yield of 12.96%.

CrowdStreet

Born in 2013, CrowdStreet is a US hybrid platform that offers investments with an expected annual return in the equity project equal to 17.6%. It is one of the largest and most experienced real estate crowdfunding platforms. It financed 488 projects and collected \$ 1,900,000 as of the end of 2020. Only in the last year the platform brought 90 deals to its investor community, collecting \$ 750,000,000. Crowdstreet offers only accredited investors access to several deals and the minimum amount of money required is \$ 25,000. It introduced new assets like a data center, build-to-rent projects, and micro-unit multifamily development. Moreover, CrowdStreet launched several managed funds, as the first e-commerce and opportunistic funds.

9. The market in the rest of the world

Considering the rest of the world, in this chapter we analyse 37 platforms in three main areas: Asia and Pacific (APAC), Middle East and America (Table 25). Unfortunately, Chinese platforms stopped sharing information about their projects in 2017. We decide to investigate the three areas separately. Overall, the RECF platforms identified in this section have collected around € 7.07 billion (vs € 5.3 billion at the end of 2019, +35%).

Table 25. List of RECF platforms active outside Europe and US

Platform	Country	Year foundation	Type	Projects	[€] Capital raised	Min. investment
InvestaCrowd	Singapore	2015	Hybrid	36	€ 78.260.390	N/A
CoAssets	Singapore	2013	Lending	10	€ 2.509.793	N/A
Ethis Crowd	Singapore	2015	Lending	7	€ 909.098	1.000 SGD
Estate Baron	Australia	2014	Hybrid	N/A	€ 124.611.108	AUD 1.000
CrowdFundUp	Australia	2015	Hybrid	32	€ 12.344.156	AUD 1.000
Venture Crowd	Australia	2013	Hybrid	5	€ 6.931.010	N/A
DomaCom	Australia	2015	Equity	68	€ 26.298.701	AUD 2.500
Brickx	Australia	2016	Equity	25	€ 14.605.387	AUD 50
Propertyshares	Australia	2016	Lending	41	€ 64.714.286	AUD 10.000
Crowd Realty	Giappone	2014	Hybrid	18	€ 6.234.231	N/A
OwnersBook (Loadstar Capital K.K.)	Giappone	2014	Lending	178	€ 202.321.538	¥ 10.000
Flint	Philippines	2019	Lending	13	€ 1.289.768	1.000,00 PHP
SmartOwner	India	2015	Equity	17	€ 1.300.000.000	N/A
Terafunding (테라핀테크*)	South Korea	2014	Lending	4200	€ 1.957.000.000	N/A
Duocaitou (Chinese: 多彩投)	Mainland China	2015	N/A	N/A	N/A	N/A
Crowd Funding House (Chinese: 众筹房)	Mainland China	2014	N/A	N/A	N/A	N/A
Rongnuo.net (Chinese: 融诺网)	Mainland China	2015	N/A	N/A	N/A	N/A
Yimihaodi (Chinese: 一米好地)	Mainland China	2014	N/A	N/A	N/A	N/A
Ezc360 (Chinese: E资产)	Mainland China	2016	N/A	N/A	N/A	N/A
Touchouwang.net (Chinese: 众筹网)	Mainland China	2015	N/A	N/A	N/A	N/A
Humans Capital	Argentina	2018	Equity	4	€ 395.041	\$ 500
Grupo Konstruir	Argentina	2016	Equity	8	€ 273.476	N/A
Crowdium	Argentina	2016	Equity	16	€ 19.255.214	10.000,00 ARS
Sesocio	Argentina	2016	Equity	12		N/A
Sumar Inversion	Argentina	2017	Equity	8	€ 2.374.837	\$ 100,00
Lares	Chile	2018	Equity	11	€ 1.067.326	500.000,00 CLP
Besafe	Chile	2017	Equity	57	€ 3.884.298	\$ 100
Briq.mx	Messico	2015	Lending	195	€ 22.945.348	5.000,00 MXN
M2Crowd	Messico	2017	Hybrid	130	€ 173.837.797	5.000,00 MXN
Expansive	Messico	2018	Lending	35	€ 2.625.882	5.000,00 MXN
Inverspot	Messico	2019	Equity	86	€ 17.806.008	20.000,00 MXN
Monific	Messico	2018	Lending	2	€ 2.756.542	1.000,00 MXN
Urbe	Brazil	2015	Lending	53	€ 10.762.332	R\$ 1.000,00
Giebba	Brazil	2018	Lending	8	€ 1.476.084	N/A
SmartCrowd	Emirati Arabi Uniti	2017	Equity	35	€ 3.647.968	5.000,00 AED
Hagsama	Israele	2010	Hybrid	241	€ 2.880.000.000	ILS 100.000
NexusCrowd	Canada	2014	Hybrid	13	€ 7.520.661	N/A

9.1 Latin America

As shown in Table 25, in Latin America there are several platforms; anyway, the collected money is much less than in other areas. Here the platforms have been launched in developing and emerging countries. There are some peculiarities to be held in consideration: low level of education, absent or poor digitalization, lack of infrastructures, both technological and physical, poverty, social and economic inequalities, and fragile political institutions.

As of the end of 2020, the capital raised by the platforms amounts to € 258.6 million, compared to amount collected at the end of 2019, equal to € 209.9 million. Compared to the last year's analysis we identified a new platform, Monific, a lending platform based in Mexico that has financed 11 projects and collected about € 2 million. The number of projects financed (691 vs 490, + 134%) is strongly increased.

9.2 Middle East

In this area we identify two platforms: Smartcrowd and Hagshama, based in Dubai and Israel.

SmartCrowd

The platform was funded in 2017; it is an equity platform that allow people to invest in real estate projects with a minimum amount of money equal to AED 5,000 (approximately € 1150). The platform exploit SPV (Special Purpose Vehicle); each project and property have its vehicle, divided into 1 million shares, owned by investors proportionally to the amount of invested money; each investor has the only constraint not to exceed 24.99% of ownership share. The main goal of the platform is to build a health relationship with all users based on trust and transparency. During last year the platform raised € 1.7 million in 20 new projects. This is reflected also in the fee structure, designed to align interests of investors and platform itself.

The fees consist of:

- A platform-based component equal to 1.5% which serves to cover costs associated with the processing of vehicle payments processing, escrow services, anti-money laundering controls and due diligence of properties; this component is deducted after the purchase of the property (one-time only frequency).
- An administration component equal to 0.5% which is paid on 31 December of each year. This component is related to administrative duties such as monitoring property management firms, maintenance fees of SPVs, reporting to investors, providing third-party market data and reports.
- A component equal to 2.5% which takes the name of exiting & selling which is withheld at the time of sale (one-time only frequency).

Hagshama

The platform, founded in 2010, follows a hybrid model; it has been able to attract a community of more than 30.000 investors that have financed over 300 projects for a value near € 3 billion. The minimum amount of money required is equal to ILS 100,000 (about € 25,000) and so far, the platform has given back about € 350 million to its investors. Proposed projects are exit-oriented and the average duration of each one varies from 24 to 36 months; generally, the interests are provided at the end of the investment period, even if some projects provide quarterly payments.

9.3 APAC Region

The analysis of this area appears particularly complex because of the difficulties in seeking information in terms of low disclosure of the platform and language barriers. The size of this market, described in this section is underestimated compared to the real amount of money raised. We identified 20 platforms from 7 different countries (Australia, Japan, Philippines, India, South Korea, China and Singapore) which have financed more than 4,500 projects for an equivalent of approximately € 3.8 billion.

Chinese platforms stop sharing data about their projects in late 2017. At that time, they financed 2,000 projects for about € 400 million. The biggest platforms in terms of capital raised are OwnersBook, SmartOwner and Terafunding.

OwnersBook was launched in 2014 in Japan. They proposed 178 projects for an amount of raised money equal to € 202 million. SmartOwner, based in India, is an equity platform with € 1.3 billion raised and 17 projects launched. Terafunding, the largest one, is a lending platform based in South Korea that has proposed more than 4200 projects and collected about € 2 billion; only during last years it raised € 1.3 billion.