Real Estate Crowdfunding

Edited by Walliance Luiss Business School

Comprehensive and detailed analysis of the global online real estate investment market

Report 2024

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Crowdfunding is a relatively recent phenomenon that has grown significantly in recent years, both in terms of the volume of resources mobilized and its impact on the sustainable development of many sectors. Real estate is one of the most significant areas of application, considering that in 2024, global fundraising is estimated to be just under €55 billion, with double-digit growth in most geographical markets, and in Italy in particular. In addition to its economic dimension, the importance of real estate crowdfunding (RECF) is also evident on a social level, due to its significant impact in promoting the feasibility of real estate developments that are also of collective interest.

It is therefore with great interest that Luiss Business School, with the fundamental support of Walliance, the leading RECF platform in Italy and other countries, has launched the new observatory on real estate crowdfunding. This body aims to periodically monitor the economic and financial dynamics of the sector, comparing the situation in Italy with that in other major geographical areas. It also intends to examine the evolution of business models and the evolution of the supply system in relation to trends in the real estate sector and downstream social and demographic dynamics. Finally, once adequate analysis methodologies have been consolidated, the observatory will analyze the impact generated by REC in terms of social and environmental value as well as economic value.

This initiative is part of the applied impact research program, which, together with postgraduate and executive education, is central to the mission of the Luiss Business School, and is carried out with the direct collaboration of leading institutions, companies, and associations.

The report we present is the first tangible result of the Luiss Business School – Walliance observatory on RECF. It presents a detailed analysis of the size and composition of the market in 2024 and expectations for its future development. It then examines the situation in Italy in depth, comparing it with developments in Europe, the United States, and other areas of the world where the phenomenon in question is well established. The study is completed by a focus on the applications of digital technologies in the operation of RECF platforms and an in-depth analysis of the impact on environmental and social objectives. The final part outlines the possible competitive and growth scenarios for the sector.

The empirical evidence and reflections contained in the report will provide operators with a comprehensive and sufficiently analytical picture of the consistency of their sector and the main trends currently underway; they will also be useful to policy makers in evaluating possible interventions that favor the growth of the REC and the economic and social value it is capable of generating.

Giacomo Bertoldi

Chief Executive Officer, *Walliance Group SpA*

2024 marks a turning point for the *real estate crowdfunding* sector. Against a backdrop of profound regulatory, technological, and cultural changes, RECF has established itself as a mature instrument, increasingly adopted by *retail* and institutional investors, and capable of making a concrete contribution to the democratization of real estate investment. The figures in this report clearly demonstrate this: global fundraising exceeded €54 billion, with growth rates in some markets—such as Italy—reaching and exceeding +46% year-on-year. At the same time, a new phase of evolution is taking shape in our sector, in which platforms are no longer simple digital intermediaries, but full-fledged players in the supply chain: capable of structuring, distributing, analyzing, and managing real estate projects with an industrial logic.

Walliance, the leading European platform for *real estate crowdfunding*, has chosen to contribute to the growth of this market with an increasingly integrated, innovative, and international model. We have done so by expanding our *lending* offering, investing in technology and compliance, and focusing decisively on the use of artificial intelligence to support our production chain and our customers.

This report, compiled with scientific rigor by Luiss Business School, represents for us not only a tool for analysis, but a manifesto for the future of the sector. Because we believe that transparency, responsibility, and quality are now more than ever the foundations on which to build the real estate of tomorrow.

Luca Lo Po'

Partner – Head of Financial Services Regulation and Capital Markets (Europe) – *DWF*

In recent years, real estate crowdfunding has been one of the most significant developments in real estate investment. By allowing a wide range of investors to participate in real estate transactions that were once reserved for professional operators, this tool has fostered the emergence of new financing models for real estate development.

The growing interest in this form of investment is part of a broader transformation of the real estate market, which is increasingly open to participatory, digital, and flexible models. Real estate crowdfunding platforms are helping to redefine the logic of access to capital, facilitating the match between the demand for financing for development projects and the supply from investors seeking alternative returns.

At the regulatory level, crowdfunding is now harmonized by Regulation (EU) 2020/1503, which came into full force in November 2023 and is supplemented by a series of delegated and implementing regulations, as well as national provisions adopted to bring domestic law into line with the new European framework. Specifically, Regulation (EU) 2020/1503 introduced a single authorization regime for crowdfunding service providers, imposing stringent requirements in terms of information transparency, governance, risk management, and investor protection.

DWF LLP Italian Branch has closely followed the evolution of this sector, supporting Walliance, Italy's leading real estate crowdfunding platform, which also operates in other countries, in the process leading to the granting of authorization as a crowdfunding service provider pursuant to Regulation (EU) 2020/1503, and supporting it in structuring transactions, managing regulatory aspects, and, in general, adapting to the new European regulatory framework.

As highlighted in this report, real estate crowdfunding is undergoing a phase of strong growth and consolidation, in which it will be essential to adopt solid and transparent operating models within a regulatory framework that is still evolving.

Real Estate Crowdfunding Report 2024

1.

Real Estate Crowdfunding

1.1. Definitions and models

Crowdfunding can be defined as the collection of money online, open to a variety of individuals and aimed at the implementation of multiple types of projects. A key element is the presence of an enabling platform, which is able not only to select and present opportunities on the Internet and bring together investors and project proponents,but also finalize the transaction within a defined time frame. There are four types of *crowdfunding*:

- **donation-based:** the investor receives no remuneration or tangible reward in exchange for the financing. This model is usually used to support charitable projects or those with a strong cultural and social impact, in exchange for a simple thank you;
- **reward-based:** the investor receives a non-financial reward in the form of a product, gadget, or service; this model is very suitable for financing the prototyping and development of a B2C product or service;
- **equity-based:** the investor subscribes to shares in the venture capital of the company promoting the project in exchange for the money invested. The remuneration is financial and can be in the form of periodic dividends or *capital gains* at the time of future sale; the shares can be ordinary or provide for voting or property rights that differ from those of the founders;
- **lending-based:** in this case, the investor becomes a creditor of the *fundraiser* and is entitled to financial remuneration in the form of interest, as well as the right to future repayment of the money. Financing can take place through the subscription of a security (such as a bond) or through *direct lending*.

Real Estate Crowdfunding (RECF) is the application of the *crowdfunding* investment model to the real estate sector. This type of investment rarely goes hand in hand with models linked to donations or non-financial rewards, but is seen as a return-oriented tool, in which investors participate with the aim of obtaining a financial return. For this reason, *equity-based* and *lending-based* forms are the most common within the RECF market.

In the case of *equity-based* RECF, investors finance real estate projects by acquiring shares in the property (risk capital) and becoming entitled to receive any profits generated. More specifically, a distinction can be made between "direct" and "indirect" investment methods. In the former, investors purchase shares in the real estate company or the financed property, while in the latter, they participate indirectly in the financing of the project by subscribing to shares in a vehicle (*Special Purpose Vehicle*, SPV) specifically set up for the real estate project in question. This vehicle then finances the project promoters through a subordinated loan or a profit-sharing agreement. In both cases, however, the return for investors depends on the periodic income generated by the property (rent) and/or the *capital gain* obtained from the sale of the properties (*exit*).

In the case of *lending-based* RECFs, investors lend money to a real estate developer through an online platform, and in return receive interest on the capital invested, without hold any ownership interest in the property. This form of investment can be divided into two further categories: *loan-based* and *debt-based crowdfunding*. *Loan-based* crowdfunding (more commonly referred to as *lending-based* crowdfunding) consists of granting a loan to a company that is carrying out a specific real estate project. In exchange, the investor acquires a credit right, whereby, upon maturity, they receive their capital plus a predetermined interest rate. Upon successful completion of the project, the company will repay the amount raised together with the accrued annual interest rate. *Debt-based*, on the other hand, is a form of investment in which the investor subscribes to a debt security or bond (*minibond*) issued by a company carrying out a specific real estate project, thus becoming a creditor or bondholder. At the maturity date specified in the instrument, the investor receives the capital invested plus a fixed interest rate.

It should be noted that, in the case of *equity crowdfunding*, the return is not contractually established in any way with regard to the subscribers to the campaign, but depends exclusively on the success of the project; during the fundraising phase, a target return and an expected deadline are defined. In the case of *lending*, on the other hand, there is a well-defined plan for repayment and remuneration of capital.

Real Estate Crowdfunding (RECF) is a specific category of crowdfunding dedicated to financing projects in the real estate business and – as it has developed so far – can be either lending or equity.

In general, in addition to the typical risks of financial investments linked to the uncertainty of returns and the possible insolvency/bankruptcy of the promoter, RECF presents some additional points of attention, including:

- the risk due to information asymmetries and the fact that the documentation provided to subscribers is not certified by any market authority, as is the case with public offering prospectuses; moreover, often even the financial statements of the financed company, have not been audited;
- the risk of opportunistic behaviour on the part of the financed company, which could use the money for purposes other than those proposed;
- high illiquidity, since the loans granted are not easily liquidated on the market and the shares subscribed are typically not listed on stock exchanges (to this end, the platforms themselves sometimes organize internal lists for the sale and purchase of investments);
- the lack, in most cases, of a guarantee that investors can potentially rely on.

It is no coincidence that, in order to validate potential investment opportunities and bidders, platforms often rely on external analysts, chosen from among authorized rating agencies or analysts specializing in real estate.

That said, RECF is an investment methodology that continues to attract interest around the world. Thanks in part to greater familiarity and therefore understanding of *retail* investors towards projects and shorter development times, this asset class is perceived as less risky than other *crowd* investments, where capital is allocated to startups or innovative SMEs, or lent to individuals.

The RECF also allows investors to allocate smaller amounts across multiple real estate projects, thereby ensuring a greater degree of diversification and therefore a lower level of specific risk compared to investing directly in a single property, which in any case requires a significantly higher minimum investment. From this point of view, we can confirm that RECF has made real estate investment more “democratic” and “accessible.”

Hence the great responsibility of the platforms, which are therefore called upon to carefully select projects and proponents, reducing the risk of conflicts of interest and safeguarding the quality of the offer.

1.2. Comparison with other real estate investment models

The most traditional option for investing in real estate is direct investment: the investor purchases a property with the aim of reselling it or, alternatively, to rent it out to obtain a periodic income. This method leaves control of the process entirely to the investor but presents a series of disadvantages: as mentioned, real estate investment typically requires substantial sums of money, which represents a barrier for many small savers. In addition, it is difficult for investors to build a diversified real estate investment portfolio. Finally, real estate is an illiquid asset class that involves a number of additional costs and time commitments for investors (routine maintenance and extraordinary maintenance, taxation, management).

In addition to *crowdfunding*—which will be analyzed in more detail later—the best-known alternative for investing in real estate is real estate funds, promoted by vehicles supervised by market authorities. These are usually closed-end funds reserved for institutional investors, but in some cases, they may also be accessible to *retail* investors with investment amounts of around €5,000–10,000. Over a period of approximately 10 years, these funds professionally manage real estate investment portfolios and then reimburse investors using the proceeds obtained. As collective funds, they allow the minimum investment threshold to be reduced, making it possible to diversify investment portfolios; at the same time, however, they limit the investor's autonomy in building their own portfolio, since the investment decisions are made by *fund managers*, who are also responsible for fulfilling administrative and operational obligations. Furthermore, they are quite expensive structures due to the compliance and organizational requirements that must be maintained, as well as personnel costs; these costs inevitably affect the final return.

A variant of real estate funds are *Real Estate Investment Trusts* (REITs); these are publicly traded vehicles that have no maturity date and invest over time in real estate properties, both to generate income and to obtain capital gains. There is always a management team, which affects the costs of the structure. In this case, investors are remunerated through the payment of periodic dividends or capital gains when the security is sold on the market.

Compared to funds and REITs, real estate crowdfunding has some significant advantages:

- minimum investment generally low (depending on the platform's policy: some allow very low amounts, others target a more restricted clientele, with minimum investments of around €5,000-10,000);
- personalized choice by the investor, who is directly involved in creating their own investment portfolio, choosing the projects in which to invest;
- transaction costs managed by the proposing parties;
- more direct contact with project promoters, mediated by the platform.

On the other hand, as already pointed out, control by public authorities and investor protection guarantees are more limited.

Table 1 summarizes the results of the comparison between the three types of real estate investment mentioned above.

Table 1 ↓

Comparison between different forms of real estate investment

	Direct investment	Real estate funds	REIT/SIIQ*	Real Estate Crowdfunfing
Minimum investment	High	Content	Very low	Particularly low
Liquidity	Low	Average	Average	Depending on regulations and platform
Portfolio control	Yes	No	No	Yes
Possibility of diversification	No	Yes	Yes	Yes
Transaction cost**	High	Borne by the fund	Borne by the SPV	Borne by the issuer
Transparency of the investment	Yes	Yes, ex-post	Yes, ex-post	Yes

* SIIQs and SIINQs (the equivalent form of SIIQs not listed on the stock exchange) registered in Italy continue to be very few. Although they are listed, SIIQs are still characterized by low liquidity and few trades.

** This refers to the costs of obtaining information about the investment, but above all the subsequent costs (administration, maintenance, etc.).

1.3. The new ECSP regulation and its impact on the industry

On October 20, 2020, Regulation (EU) 2020/1503 on European *crowdfunding* service providers for *business* (*European Crowdfunding Service Providers*, ECSP), was published in the Official Journal of the European Union, introducing important new elements both in terms of the authorization regime for platforms (defined as "specialized *crowdfunding* service providers") and in terms of rules of conduct, as well as allowing *cross-border* operation of platforms in other European countries under a "passporting" regime.

The Regulation came into force on November 10, 2021 (subject to transitional provisions for platforms already in operation) and introduces a common *framework* applicable to both *crowdfunding* involving securities eligible under MiFID II and without national restrictions on distribution to *retail* investors (Article 2, paragraph 1, letter a, sub i), and for *peer-to-peer lending* (Article 2, paragraph 1, letter a, *sub* ii). '*Crowdfunding* services' are defined as the intermediation in the granting of loans and the placement of securities. The scope of lending to individuals for personal purposes (i.e., consumer credit) is therefore not affected by the reform.

From November 10, 2023, all European *crowdfunding* platforms must be authorized as *crowdfunding* service providers in accordance with Regulation (EU) 2020/1503 and must fully comply with the requirements set out in the ESCP legislation, otherwise they will not be able to continue operating legally in the European Union market.

The regulation aims to standardize the operation of crowdfunding platforms in Europe. The main changes concern:

- the need for platforms to obtain a single European license issued by a national authority;
- the need to draw up and validate a standardized information model for each investment project, the Key Investment Information Sheet (KIIS);
- the introduction of mechanisms to protect non-professional investors;
- the introduction of a maximum limit of €5 million of capital raised per offering company over a 12-month period.

These changes allow companies to expand their user base internationally. At the same time, they guarantee greater security and transparency for investors.

In Italy, the bodies responsible for supervising the application of the ECSP regulation by crowdfunding platforms are Consob and the Bank of Italy.

2. Market overview

2.1. An overview of RECF studies

According to a report by *Custom Market Insights* (CMI)[1], the global value of the RECF market in 2024 is estimated at approximately $32.2 billion, with a projection for 2025 of $48.8 billion and an average annual growth rate (CAGR) of 46.1% from 2024 to 2034.

1 Global Real Estate Crowdfunding Investment Market 2025–2034.

It is essential to emphasize that the data collection methodology adopted by CMI differs from that used in this report, which inevitably leads to discrepancies in the volumes reported. For example, CMI's forecast estimate for capital raised by the end of 2025 is $48.8 billion (approximately €42 billion), while last year's edition of our report indicated a total of €52.7 billion raised by the end of 2023.

CMI relies primarily on secondary sources, such as databases, to collect information. In contrast, in this report, data was collected directly from the official websites of the individual platforms analyzed. This methodological difference can significantly affect the results.

However, we felt it would be useful to include this information as well, since—beyond the absolute figures—it confirms a strong growth trend for RECF at the global level.

According to the study, this growth will be driven by digitization, increasing accessibility to such investment opportunities, and the growth of technologies aimed at ensuring greater security and transparency in transactions (e.g., *blockchain*). The study identifies significant growth globally, with different trends by geographic area. The Asia-Pacific region is the fastest growing area, driven by urbanization, industrialization, and favorable policies. North America is currently the dominant market, supported by high commercial construction activity, a well-established investment culture, and a mature regulatory system. Strong expansion is observed in Europe, in particularly in the United Kingdom, Germany, France, Italy, and Spain, thanks to growing interest from non-institutional investors. According to CMI, the key segments of the RECF market are divided according to three main criteria. By property type, the commercial sector is dominant, while the residential sector is growing significantly. In terms of investor type, institutional investors prevail, but there is rapid expansion in individual participation. Finally, in terms of operating model, *equity crowdfunding* is currently the most widespread format, while the lending model is showing strong growth.

The signs are encouraging: the expansion of the sector, technological innovation, and regulatory developments are helping to strengthen the solidity of the RECF market, even in a context of continuous growth.

2.2. Methodological introduction

This research considers onlyplatforms that are currently active or whose cessation of activity has not been officially announced.

Specifically, the sample analyzed also included some platforms that, although not operational for over 12 months (i.e., not active in promoting new projects), have not formally announced the cessation of their activities. It also includes platforms currently in *run-off* mode, i.e., those that have stopped accepting new projects or investments but continue to manage operations already underway until their natural conclusion. This methodological choice is motivated by the desire to maintain consistency with the volumes reported in the previous report published in 2024, particularly with regard to data on cumulative capital raised and the number of projects financed. The exclusion of these platforms, in the absence of a formal divestment, could have generated distortions in the historical data and compromised the comparability between editions of the report.

Compared to last year's report, new platforms have been identified, while others have been excluded due to their inactivity. In the latter case, it is important to remember that the ECSP regulation came into force in the EU at the end of 2023. Although most platforms have complied with this regulation, some have been forced to close, while others are temporarily inactive, awaiting compliance with the standards. In light of these considerations, there are 164 platforms included in this study (+3.1% compared to last year, when there were 159).

The platforms are divided geographically as follows:

- **Europe**: 83 platforms were included in the study. There are 15 new platforms compared to those analyzed in the 2023 report. This geographical area includes platforms based in non-EU countries and excludes Italian platforms;
- **Italy**: in Italy, 22 platforms were included in the sample, one of which, Rendimento Etico, has suspended the collection of new projects until the measures requested by Consob are adopted, and another, Re-anima, is awaiting ECSP licensing. For three others, Re-source, The Builder, and Valore Condiviso, there is no information regarding licensing. Compared to the sample analyzed in the previous report, five platforms have been excluded, because two have officially ceased operations (ITS Lending and ItalyCrowd) and three cannot be traced because their websites are unavailable (BuildAround, FoxCrowd, and Invets-T);
- **USA and rest of the world:** the sample analyzed for this area, there are 59 platforms (25 of which are based in the United States), two of which, although they have a functioning website, have not launched any new projects for at least 12 months, and one is in run-off mode. Compared to the 2023 report, three platforms whose activities have officially ceased, Patch of Land, Peer Street, and Realty Shares, have been excluded. Furthermore, with reference to the US market, the YieldStreet platform has acquired the Cadre platform, reducing the sample analyzed by one additional unit.

As shown in **Figure 1**, 83 European platforms, 25 US platforms, and 34 platforms from the rest of the world has been monitored. The most represented country in Europe is France, with 21 platforms, followed by the United Kingdom with 16, and Germany with 8. In line with previous reports, this figure does not include Italian platforms, of which there are 22 in this study.

It should be noted that real estate projects are sometimes also presented on generalist platforms, alongside non-real estate projects. For the purposes of this research, however, only projects presented on dedicated or specialized platforms are considered. It goes without saying, therefore, that the flow of funds for the entire real estate *business* through *crowdfunding* is actually higher than that recorded in the report.

Figure 1 ↓
RECF platforms surveyed by the research

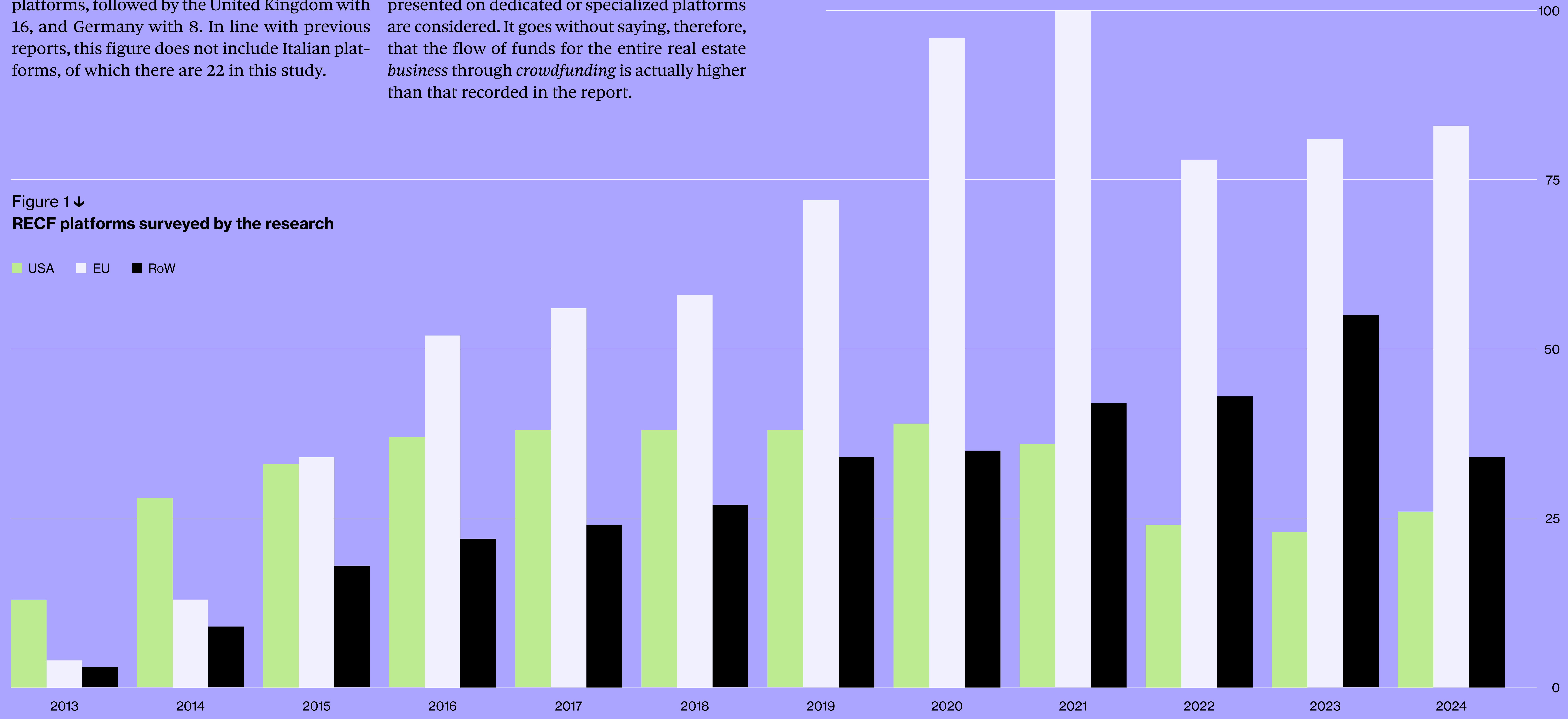


Figure 2 shows the annual balance of platforms entering and exiting the research sample over the last six years. During the period considered, there was a positive difference of five platforms, with 17 new platforms identified and 12 excluded because they either ceased operations or their websites are no longer operational. In detail, the 14 new platforms are based: 6 in EU and non-EU countries (Alfabricks, AxiaFunder, Brickstarter, Lande, Mezzany, and Renditekofus) 2 in Italy (Crowdre by Opstart and Re-Lender), 9 in the rest of the world (Duocaitou, DomaCom, EquityBuilder, Expansive, Glebba, Instalend, Landa, Neighbourhood Ventures). Conversely, the following were excluded from the analysis: one European platforms (Koregraf), 5 Italian platforms (BuildAround, Foxcrowd, Invest-T, ItalyCrowd, ITSLending), and 6 in the rest of the world (Crowd Realty, NexusCrowd, Oopoly, Patch of Land, Realty Shares).

The following chapters aim to present a qualitative and quantitative analysis of the RECF market landscape. First, an overview of the sector at a global level will be presented. Subsequently, for each geographical area, the main platforms, their performance, and the characteristics of the projects financed will be reported. The data on which this analysis is based is that made available by the various platforms, processed and aggregated by monitoring the projects published on their respective websites. In this regard, it is important to note that not all platforms report the number of projects invested in or the capital raised. Where possible, the study has enriched the analysis with data from other specialized platforms, while in other cases it has not been possible to obtain such data.

Figure 2 ↓

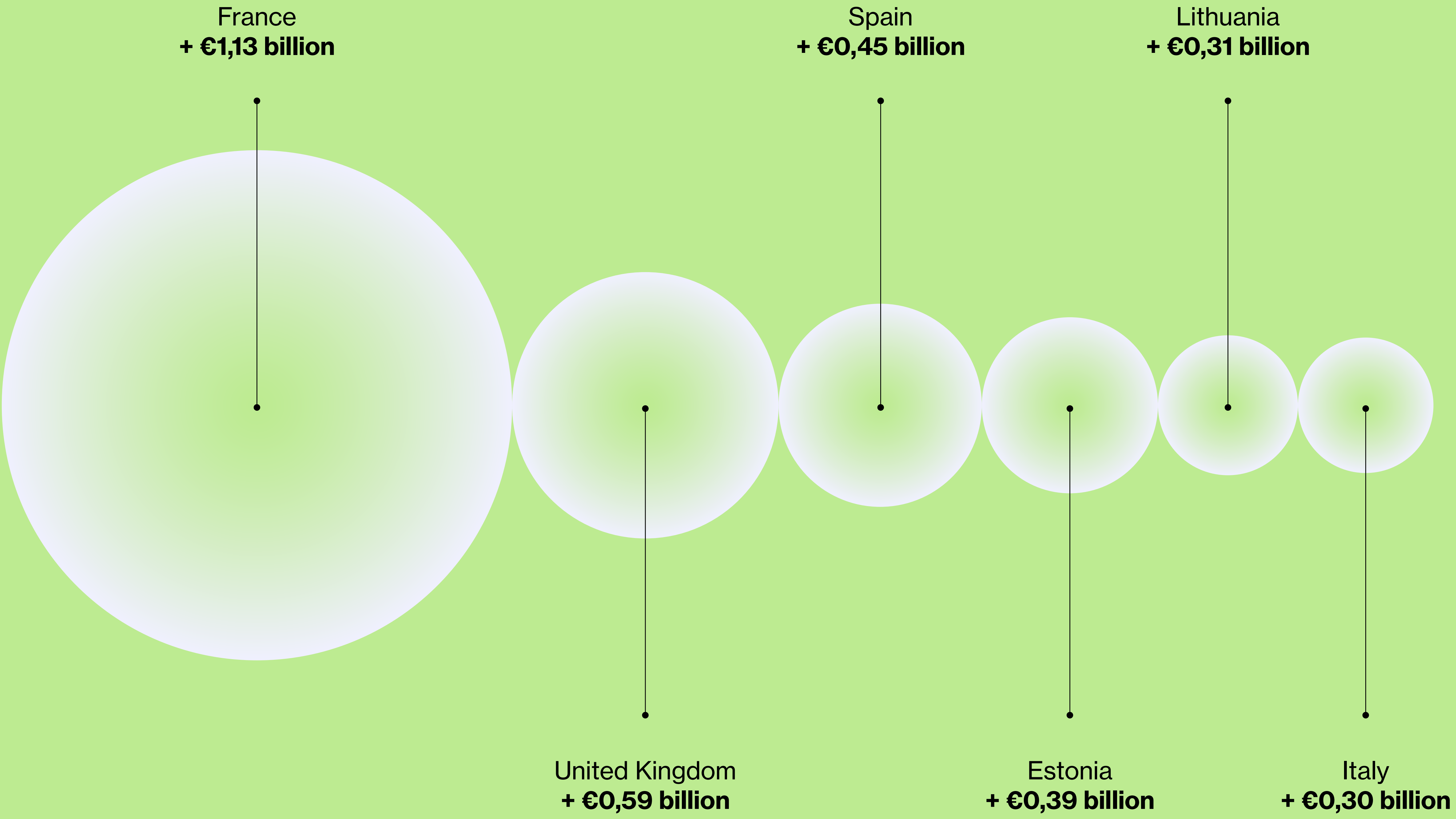
Incoming and outgoing flows of RECF platforms surveyed by the research over the last 7 years

2.3. Market size and composition of the market

In Europe, the cumulative total collected up to 2024 amounts to approximately €20.1 billion, with an increase of approximately €4.6[2] billion (+29%) compared to 2023. This figure includes the numbers for Italian platforms, whose contribution is €0.8 billion, with an increase of +46% compared to 2023.
In the rest of the world, the total is €4.8 billion. The United States recorded an increase of €1.2 billion (+4.25%), for a cumulative total of €29.4 billion. Among the various European countries, France consolidates its lead with approximately €6 billion raised in total. In second place is the United Kingdom with approximately €3 billion raised, while Germany occupies third place with €2.1 billion. Spain and the Netherlands follow, with a cumulative total of €1.2 billion, and Estonia, with a total collection of €1.1 billion. Finally, Italy, with €0.8 billion raised.

2 This value is given by the difference between the cumulative capital raised by 2024 by the platforms analyzed n this report for Europe, which includes the EU (including Italy) and non-EU countries, and the cumulative capital analyzed in the 2023 report for the same geographical areas. In this report, we have chosen to classify geographical areas according to their geographical location, whereas in the previous report, the UK, Switzerland, and Norway were classified as the rest of the world.

With reference to the data collection period only, France remains the leading country in terms of capital raised (€1.13 billion), followed by the United Kingdom (€0.59 billion), Spain (€0.45 billion), Estonia (€0.39 billion), and Lithuania (€0.31 billion). Italy, on the other hand, recorded an increase of approximately €0.30 billion.



The total number of real estate projects activated by European platforms up to the time of the survey is 32,482, of which 1,975 are in Italy. In the rest of the world, a total of 13,109 projects have been launched, of which 9,687 are located in the United States alone.

The most developed market worldwide, both in terms of the number of active platforms and capital raised, as well as the first market in which RECF was created and subsequently developed, is therefore the US market. There are 25 platforms mapped (two more than in the 2023 report) and, as shown in **Figure 3**, at the end of 2024, the value raised in the US can be estimated at €29.4 billion, with a contribution of €1.2 billion in the reference period. One of the peculiarities of this market, compared to the European one, is that many of the platforms only allow investments by "accredited investors" (i.e., investors who have a certain minimum amount of assets and/or income), significantly reducing the pool of potential investors and also the possibility of extracting statistical data. The minimum investment amounts for published projects are also, in most cases, higher than those offered by European platforms.

As for the rest of the world, which totals $4.8 billion in capital raised (€), two areas with distinct characteristics emerge:

- **Asia-Pacific**: here, RECF has been developing since 2014-2015, leading to the creation of many platforms and the raising of significant capital, in line with European values; in China, however, in recent years, public authorities have issued ordinances to limit the activity of platforms, with the aim of preventing the formation of speculative bubbles. In fact, many of the platforms mentioned in reports from previous years are now closed or inactive. In Australia, the market has similar characteristics to that of the United States, where access is often only possible for accredited investors. In the Middle East, there is one major platform in the United Arab Emirates. The total cumulative capital in the Asia-Pacific region is €4.2 billion, of which €0.22 billion was raised in 2024.
- **Latin America and Canada**: here, the research considers 11 platforms that raised a total of €0.53 billion, a significant increase compared to the approximately €87 million raised in 2023.

Figure 3 ↘
Cumulative funding raised up to 2024 from RECF platforms surveyed by the research

The sum of the three geographical areas allows us to estimate a total global value of €54.3 billion[3] for the resources raised by RECF up to the first few months of 2025. This figure also includes Italy.

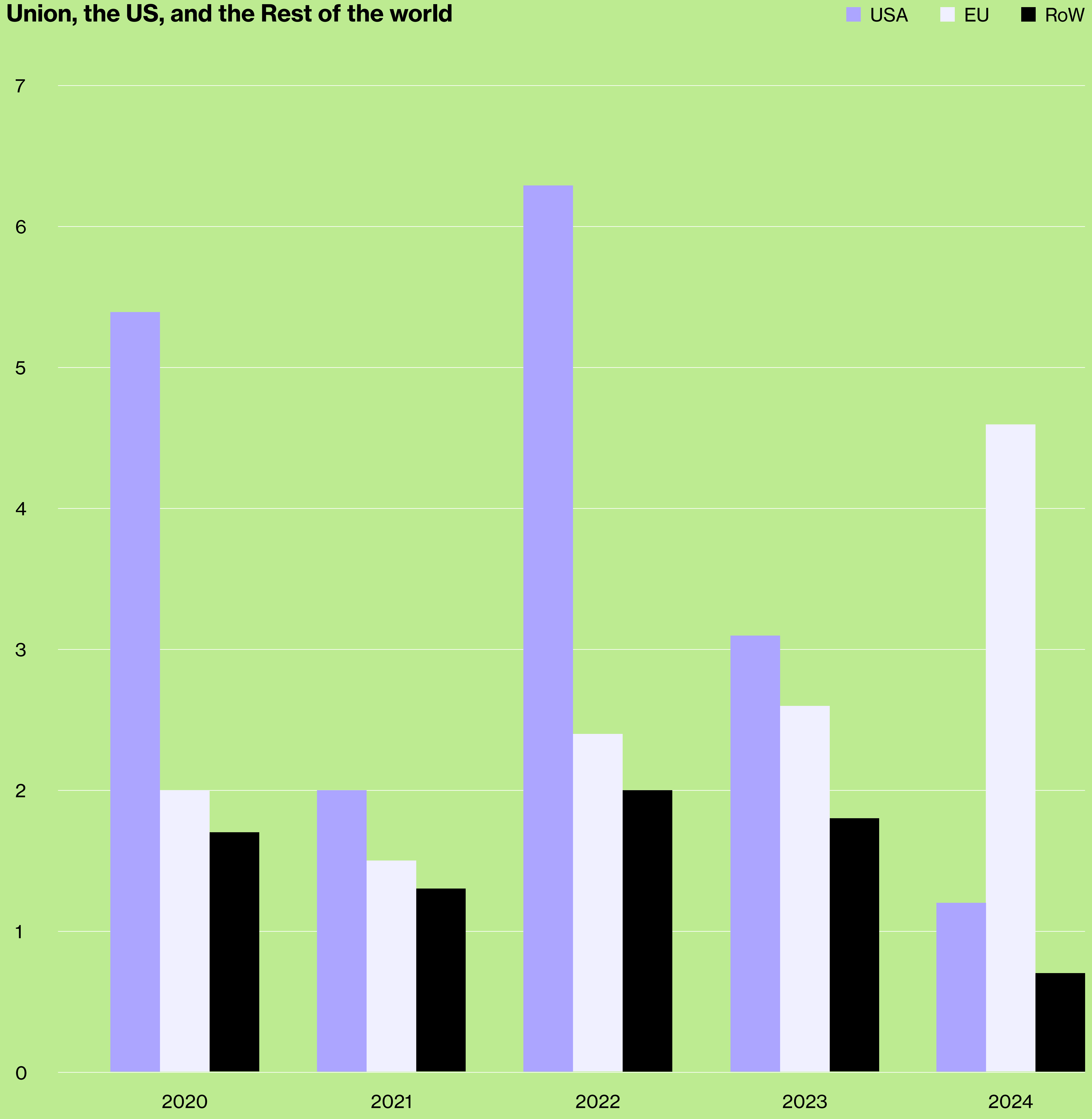
Figure 4 shows the annual fundraising flows in the three geographical areas identified[4].

3 The figure of €52.7 billion reported last year appears to be influenced by a statistical anomaly attributable to the Chilean platform Lares. Based on our estimates, the most realistic figure for 2023 is around €45.7 billion. It follows that overall growth between 2023 and 2024 will be €8.6 billion.

4 The data for 2024 includes non-EU European countries under the heading Europe, and not under RoW as in previous editions.

Figure 4 ↓

Fundraising flows of RECF platforms in the European Union, the US, and the Rest of the world



2.4. Business models

In general, platforms differ based on the type of investment offered (*equity* or *lending*), the relational structure between lenders and *fundraisers*, the *fees* charged and the level of liquidity of the proposed investment (presence or absence of a secondary market). Some platforms also offer investors the option of automating their investments.

Equity vs. lending: models and vehicles

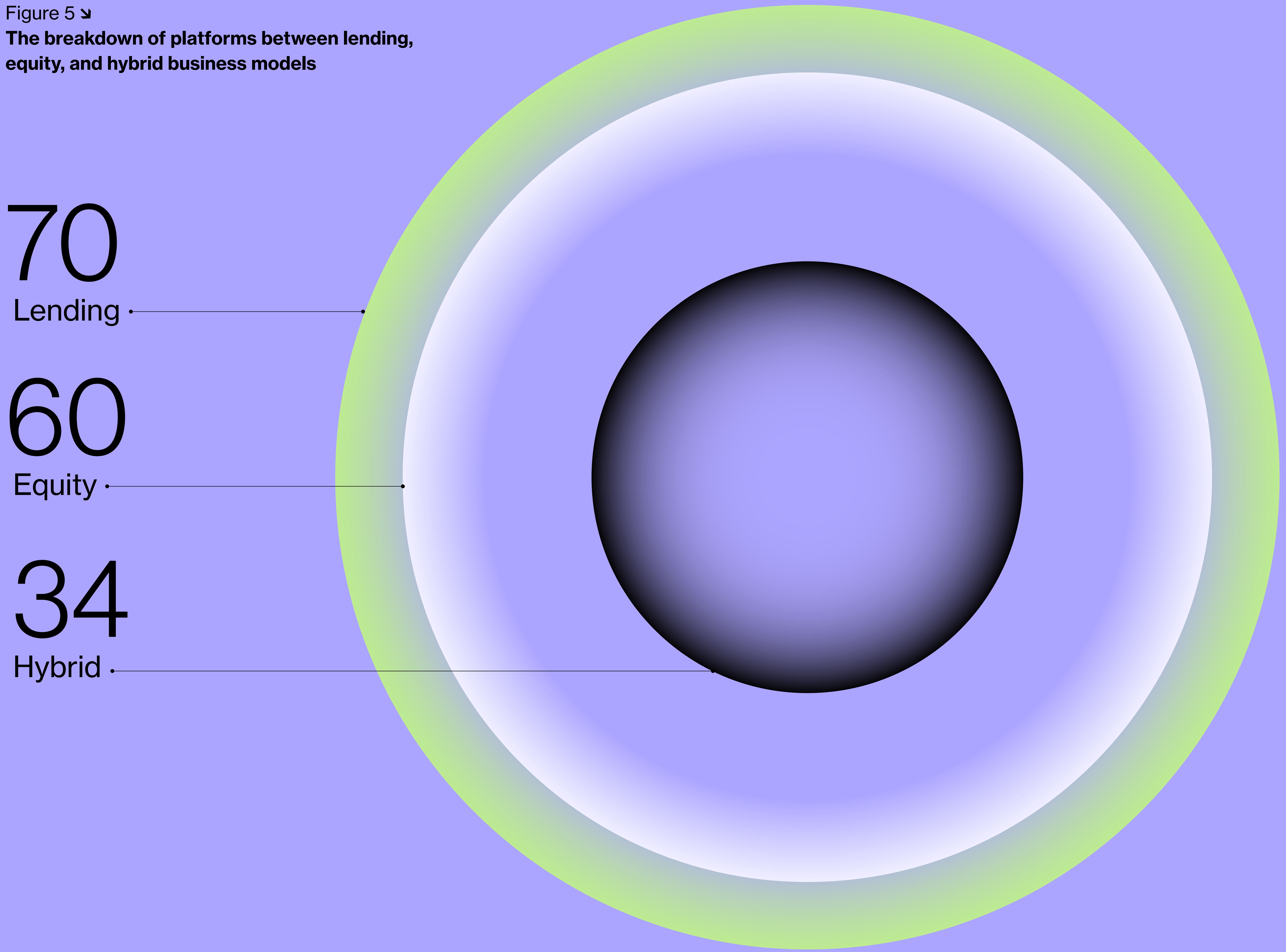
As explained in the introductory paragraphs, there are different types of RECF platforms: *equity-based*, *lending-based*, or hybrid platforms, which offer both options. Equity RECF platforms allow investors to directly subscribe to shares in the company that owns the real estate or, alternatively, to subscribe to shares in a *Special Purpose Vehicle* (SPV), created specifically to finance the individual real estate project. In the latter case, the SPV will sign a second financing agreement with the real estate operator, which will specify the remuneration to be paid, which will then be passed on to investors net of structural costs, *performance fees*, and any *management fees*. The return may be represented by periodic dividends deriving from rents or, more frequently, by the capital gain generated by the property after sale, which is distributed among the lenders, with possible priority clauses (*liquidation preference*) for *crowd* investors.

Lending platforms, on the other hand, channel loans granted by investors to real estate developers who are looking for complementary sources of financing. The loan can be regulated by a loan-based contract or a debt-based security (such as a bond). Investors receive remuneration in the form of interest on the capital loaned, as established in the contract at the time of financing. Consequently, returns in this model do not depend on the final sale value of the property (*exit*), unless they are pre-determined. The risk incurred is lower than in *equity crowdfunding* and lies in the ability of the promoters to repay the debt in a timely manner.

Some platforms offer hybrid investment opportunities that combine characteristics typical of both *lending* and *equity* RECF. This is the case, for example, with mezzanine debt, a form of debt that is subordinated to other loans such as bank loans, halfway between debt and *equity*. The return for the investor depends on the profit of the project and is therefore certainly riskier than a traditional loan. At the same time, in the event of *default*, holders of these investments have priority over shareholders in the repayment of capital. As a result, mezzanine debt represents an attractive opportunity for investors, as returns are higher than conventional loans and, at the same time, the degree of risk is lower than equity. Moreover, the same remuneration mechanism can be replicated with equity models through the issuance of diversified share classes, with preferential rights on profits and on the possible liquidation of the corporate vehicle that has raised funds on the market. Finally, it should be noted that certain types of investments may be permitted in one country and not in another, depending on corporate law.

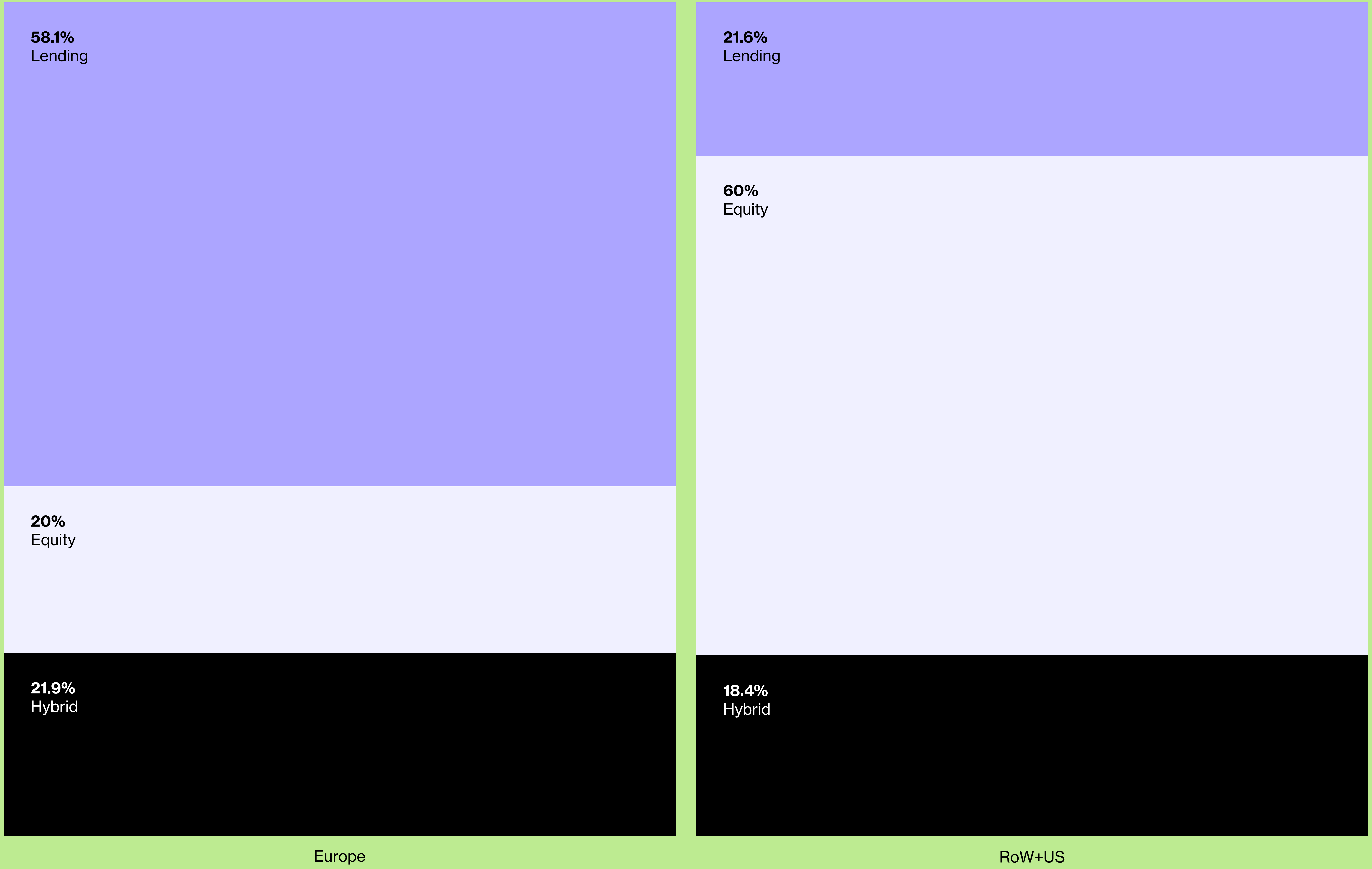
What we find is that, in most cases, the capital raised through RECF does not represent the majority of the *budget*, which is mainly covered by self-financing or recourse to a banking channel. However, the fundraising campaign is welcomed by operators because, on the one hand, it increases leverage and, on the other, it creates legitimacy in the market, also helping to raise awareness of the promoting company and the project. Above all, it allows for the rapid availability of funds, avoiding the bureaucratic delays of other financiers. As shown in **Figure 5**, most of the 164 platforms surveyed in the study are *lending* (70) and *equity* (60) platforms. There are also 34 *hybrid* platforms. Compared to last year's report, there are fewer lending platforms and more *hybrid* platforms. It is therefore likely that some platforms have expanded their business to include *equity* models in addition to *lending* models.

Figure 5 ↘
The breakdown of platforms between lending, equity, and hybrid business models



This composition may vary depending on the target market. For example, Europe sees a majority of platforms operating in *lending*, despite a growing share shifting towards the hybrid segment. Specifically, 58.1% of European platforms follow the *lending* model. Almost mirroring this, in the United States and the rest of the world, 60% of platforms are focused on the *equity* model (**Figure 6**). This scenario highlights the existence of different approaches depending on local market dynamics and the prevailing strategies among operators and investors.

Figure 6 ↓
The share of active platforms based on lending, equity, and hybrid models in Europe and the rest of the world



Secondary market

Again, depending on the opportunities afforded by the regulations in each country, some RECF platforms have gradually adapted their service offering, developing their own *marketplaces* through which users can sell and/or purchase the shares and/or loans subscribed during the project financing campaign. The process is quite simple: investors who wish to sell their investments can set an appropriate price and submit their offer on the platform's secondary listing. Sometimes platforms intervene to verify the adequacy of the offer and facilitate the matching of supply and demand. This allows investors to liquidate their investment, if necessary, but the liquidity of trading is clearly very limited. Platforms offering a secondary market often charge fees to the seller.

The new ECSP regulation limits the activities of platforms in this regard. Platforms authorized in the European Union are allowed to publish a "bulletin board" of purchase or sale announcements. However, only platforms that have a separate investment firm authorization, regulated by Directive 2014/65/EU (MiFID II), may develop an internal system that processes customer orders.

Automated investment

Some platforms offer the opportunity to automate the investment process. This technology, commonly referred to as *Auto-Invest*, allows investors to select certain constraints relating to the projects to be financed, such as the expected risk/return profile or the expected duration. The enabling technology will then allow the platform to automatically build the investment portfolio based on the pre-set criteria, reinvesting any income.

From the investor's point of view, this option can make it easier for less experienced individuals to create balanced and diversified investment portfolios based on their needs. It saves time in analyzing documentation and allows timely access to the offer as soon as it becomes available, beating the competition from other participants.

For promoters and the platform, the use of this tool can enable them to close funding campaigns much more quickly and understand in advance how much capital could already be absorbed by automated plans when a new offer is published.

Costs and fees

Fees are the main *revenue stream* for RECF platforms. These can be applied to investors and/or project promoters. In the European market, most platforms apply commissions exclusively to promoters. In the United States, on the other hand, it is common to also apply commissions to investors, which are calculated as a percentage of the capital invested. Depending on the *business model*, each portal may apply commissions to cover the costs associated with the various ancillary services offered. As will be seen later, it is difficult to find clear and transparent data on the commissions applied, as platforms do not always make this information available to everyone in a transparent manner.

However, it is possible to arrive at a comprehensive categorization of the different types of commissions:

- **Fees charged to issuers:** normally, platforms only charge fees to entrepreneurs if the funding campaign is successful. Rates may vary between platforms, but are usually between 4% and 14%. Some platforms also charge a fixed fee in the form of a deal origination fee or a management fee;

- **Fees charged to investors:** although less common, platforms may also charge fees to lenders. Fees may include: brokerage fees, usually equal to 2-3% of the total amount invested; property management fees (more typical in the world of RECF equity), ranging from 2% to 5%; success fees applied in the case of projects that are particularly profitable for the investor. The latter are generally quite high and can reach rates of 20% of the total return;

- **Secondary market fees:** in this case, fees only apply to investors who use the service. The average rate is 2% of the traded value and, in most cases, is charged to the seller.

2.5. Market developments

During 2024, the real estate crowdfunding market showed signs of maturing and restructuring, both in Italy and internationally.

Faced with a turbulent macroeconomic environment–marked by geopolitical uncertainties, new regulations, and a growing need transparency–many platforms have begun diversifying their business lines.

This process was not limited to operational restructuring, but involved a complete rethinking of the *crowdfunding* model itself, which is now moving decisively towards hybrid formulas, income investments, and integrated advisory services. In Italy, Walliance, for example, started out as a vertical operator in real estate *equity crowdfunding* and has also been active in *lending* since 2023. Starting at the end of 2024, it expanded its operations to include a structured real estate *advisory* offering aimed at both private investors and industry operators, thus consolidating a *full-service* approach. This expansion has enabled it not only to generate new sources of revenue, but also to strengthen its role in the selection and structuring of transactions, attracting institutional and professional capital. In the United States, CrowdStreet has developed a highly specialized model, focusing on large-scale transactions and access reserved for qualified investors, integrating its own *wealth advisory* division. In both cases, these are operators who have transformed *crowd* capital raising into a tool for accessing structured, professional, and sustainable vehicles in the long term. Many platforms have also launched their own *Real Estate Investment Trusts* (REITs), i.e., companies that own, manage, or finance real estate. Fundrise, in particular, has long since moved beyond the classic *equity crowdfunding* model, offering a wide range of products, including digital REIs (eREIs). The platform has also integrated an *asset management* component, with internal teams dedicated to the selection, acquisition, and management of properties. Another development concerns the possibility of making direct investments. In Spain, Urbanitae announced in 2025 the launch of a new line of business dedicated to the direct acquisition of income-generating properties on behalf of investors (*Urbanitae Direct Investment*). The operation is supported by an ambitious investment plan and is based on an integrated model that combines digital fundraising, operational management, and recurring returns.

The common denominator of these experiences is the attempt to stabilize returns for the average investor by reducing exposure to the execution risk typical of speculative transactions. In other words, the global trend for 2024-2025 seems to be a shift from development *crowdfunding* (characterized by high IRRs but high operational risk) to income-oriented *crowdfunding*, often supported by parallel instruments such as funds, SPVs, or asset management companies, with greater *governance* and longer investment durations.

This scenario suggests that real estate *crowdfunding* is gradually emerging from its pioneering phase to establish itself as a genuine alternative financial infrastructure, capable of attracting retail and institutional capital within a more mature, transparent *framework* geared towards sustainable *performance* over time.

In this new context, platforms no longer limit themselves to acting as a bridge between projects and investors, but are increasingly becoming full-service operators, capable of overseeing the entire real estate investment chain.

3. The European market

3.1. The main platforms active in Europe

With regard to the European market, compared to the total sample of 83 platforms surveyed, we will focus our analysis on the 25 portals that have raised the largest share of cumulative capital.

The list is shown in **Table 2** along with some key data. A total of 18,784 projects have been financed by the selected platforms, with cumulative funding amounting to €13.8 billion, equal to 71% of the European market. If we consider only the top five, the cumulative value alone corresponds to 30% of the market (in 2023, we were at 38%). The competitive arena, therefore, has fragmented over the last year.

France's ClubFunding remains in first place compared to the 2023 report, with €2 billion raised, compared to €1.187 billion raised by the second platform, Germany's Exporo. In third place is ZIB Investments with a cumulative total of €0.9 billion, followed by Anaxago and EstateGuru, both with around €894 million. France boasts six platforms among the top 25 players, down one platform from 2023, as Koregraf was excluded from the sample due to cessation of business.

Table 2 →
The main RECF platforms in Europe, including Norway, the United Kingdom, and Switzerland

Platform	Year of Year of establishment	Country	Cumulative capital (€ million)	Number of projects	Average funding per project (€ million/project)	Minimum investment (€ unless otherwise specified)
ClubFunding	2014	France	2,000	1,500	1,33	250
Exporo	2014	Germany	1,187	595	1,99	500
ZIB Investments Crowfunding	2015	Netherlands	900,00	N/A	N/A	2,500
Anaxago Immobilier	2014	France	894,00	370	2,42	1,000
EstateGuru	2014	Estonia	893,65	7.301	0,12	50
Homunity	2016	France	810,10	627	1,29	1,000
Capitalrise	2016	United Kingdom	597,89	129	4,63	£1,000
Kameo	2014	Norway	582,9	467	1,24	50
WiSEED	2011	France	570,00	839	0,67	100
Tessin	2015	Sweden	567,22	597	0,95	50,000 Swedish kronor
Urbanitae	2019	Spain	470,00	210	2,23	500
Kuflink	2011	United Kingdom	469,90	923	0,51	£500
CrowdProperty	2013	United Kingdom	449,71	N/A	N/A	£500
Raizers	2015	France	425,00	415	1,02	1,000
Look&Fin	2012	Belgium	369,50	860	0,43	100
Foxstone	2016	Switzerland	356,00	81	4,39	25K CHF equity, 10K CHF debt
Fundimmo	2016	France	333,40	465	0,72	1,000
Crowdrealestate	2015	Netherlands	330,25	148	2,31	500
Planethome Investment	2016	Germany	315,00	33	9,54	500
Proplend	2014	United Kingdom	284,54	280	1,02	N/D
Profitus	2017	Lithuania	281,52	1,770	0,16	100
SwissLending	2015	Switzerland	258,00	30	8,6	500,000 CHF
Finple	2015	France	253,00	220	1,15	1,000
Loanpad	2015	United Kingdom	241,92	N/A	N/A	£10 (ISA), £500 (NON-ISA)
Crowd with us	2014	United Kingdom	235,01	1.121	0,21	£1

Table 3 shows the details of the top 25 platforms in the European Union. Consequently, platforms located in the United Kingdom, Switzerland, and Norway are excluded from the table. France's share increases, with eight platforms in the top 25, followed by Germany with five platforms, while there are two Italian platforms in the ranking.

Table 3 →
The main RECF platforms in the European Union

Platform	Year of Year of establishment	Country	Cumulative capital (€ million)	Number of projects	Average funding per project (€ million/project)	Minimum investment (€ unless otherwise specified)
ClubFunding	2014	France	2,000	1,500	1,33	250
Exporo	2014	Germany	1,187	595	1,99	500
ZIB Investments Crowfunding	2015	Netherlands	900,00	N/D	N/D	2,500
Anaxago Immobilier	2014	France	894,00	370	2,42	1,000
EstateGuru	2014	Estonia	893,65	7,301	0,12	50
Homunity	2016	France	810,10	627	1,29	1,000
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Tessin	2015	Sweden	567,22	597	0,95	50,000 Swedish kronor
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Fundimmo	2016	France	333,40	465	0,72	1,000
Crowdrealestate	2015	Netherlands	330,25	148	2,31	500
Planethome Investment	2016	Germany	315,00	33	9,54	500
Profitus	2017	Lithuania	281,52	1,770	0,16	100
Finple	2015	France	253,00	220	1,15	1,000
Engel & Volkers Digital Invest	2017	Germany	233,27	104	2,24	100
Röntgen	2016	Lithuania	217,27	534	0,41	100
Home Rocket	2015	Austria	210,83	420	0,50	250
Civislend	2016	Spain	203,00	120	1,69	250
Zinsbaustein	2016	Germany	200,00	119	1,68	500
Bergfürst	2014	Germany	192,90	113	1,71	10
Recrowd	2019	Italy	191,25	169	1,31	250
Bricks	2020	France	190,00	200	0,95	10
Walliance	2017	Italy	183,03	191	0,96	500

3.2. General characteristics of the main European platforms

As highlighted in the previous pages, the EU ECSP regulation provides for two different market segments: *equity* and *lending*. The vast majority of leading platforms in Europe (14 out of 25) are active in the lending segment; we then have four platforms specializing in the placement of participatory loans or risk capital (*equity*) shares, while the other seven operate in multiple sectors, with a hybrid model. The figures are in line with the previous year.

Minimum investment

As regards the minimum investment allowed, it ranges from a "symbolic" €1 chip offered by the Estonian platform Reinvest 24 to the 50,000 Swedish kronor (approximately €4,340) required by Tessin. In general, about half of the platforms do not require minimum investments higher than €500.

Secondary market and auto-investment option

In the previous paragraphs, we mentioned that some RECF platforms have their own secondary market and automated investment options (*Auto-Invest*) to support less experienced investors. Five out of 25 platforms (Exporo, EstateGuru, Homunity, Kuflink, and Profitus) have a trading platform. Ten platforms have implemented automated investment opportunities: Club Funding, Exporo, EstateGuru, Homunity, Tessin, Kuflink, CrowdProperty, Engel & Völkers Digital Invest, Crowdrealestate, and Profitus.

Fees

Table 4 summarizes the policies of the *leading* platforms in Europe regarding *fees* charged: we distinguish between fees charged to fundraisers rather than investors and by type. Unfortunately, not all platforms publish this data in a granular manner, especially with regard to *fees* charged to *fundraisers*. The latter generally take the form of *success fees*, applied in the event of a successful fundraising, or deal *origination fees*, applied as a percentage of the capital raised or as a fixed fee. As for investor fees, these are rarely applied and, in any case, are disclosed to investors at the time of investment. Some platforms charge fees to investors who have deposited funds in their *accounts* but have not made any transactions in the last 12 months (EstateGuru and Housers).

Table 4 ↓

Fees charged by the main European platforms

Platform	Fundraiser fee	Investor fee	Secondary market fee	Auto-Investment
ClubFunding	5%	No	No	Sì
Exporo	N/A	N/A	No	N/A
ZIB Investmenrs	N/A	Issue cost of 2%	N/A	N/A
Anaxago Immobilier	5% entry fee on capital raised; 5% management fee or maximum 10% if the investment lasts more than 5 years	Entry fee: 0.5%-2% of the amount invested; Management fee: 1% per annum of the amount invested.	No	No
EstateGuru	3-4% *success fee* on the loan value and 0-2% annual *administration fee*	*Inactive account fee:* applied to investors who have deposited funds in their accounts but have not made any investments in the last 12 months	3%	Yes
Homunity	5%	No	No	No
WiSEED	4-10%	No	No	No
Capitalrise	2% per annum and an exit fee equal to 1% of the loan amount.	No	N/A	N/A
Tessin	Yes	No	No	Yes
Urbanitae	3.5% to 8%	N/A	No	No
Kuflink	2%	1%	0.25%	No
CrowdProperty	Annual interest of 8.5-10.5% CrowdProperty commission of 1% to 4% per project	No	N/A	Yes
Raizers	Depends on the project	No	No	N/A
Look&Fin	Structuring fee from 2.5% to 5%; Monthly fee from 0.08% to 0.125%; Application fee: €2,000	No	N/A	N/A
Foxstone	0,25%	No	No	No
Fundimmo	4-8%	2%	No	No
Crowdrealestate	Application fee: €950; Placement fee: €950 Success fee: from 2.50% to 10%; Management fee: 0.95% per annum	Brokerage fee: 0.45% on the deposit.	N/A	N/A
Planethome Investment	Yes	No	No	No
Proplend	10%	0.50%	N/A	Yes
Profitus	0.1-0.2%	No	N/A	N/A
Engel & Volkers Digital Invest	N/A	N/A	N/A	N/A
Finple	N/A	N/A	N/A	N/A
Recrowd	*Success fee* between 4 and 6% of the amount raised	N/A	N/A	N/A
Röntgen	Promoters pay up to 1% of valuation + 2-5% commission on funded amount	No fees for investors on deposits; €1/extra wallet and 2% commission on secondary sales	2% on the nominal value sold on the secondary market	No

Internationalization

The majority of projects proposed by the European platforms listed are located in their respective countries of origin. In fact, as mentioned above and already highlighted last year, the national focus is still very strong. However, there are an increasing number of cases of platforms that have also financed *cross-border* operations. This effect will be further amplified in the coming years in light of the ECSP regulation, which allows companies to invest in projects located in foreign countries. German platforms also present projects in Switzerland and Austria, countries that are similar in terms of language and regulations. Other German platforms active abroad are Exporo and Bergfürst. The same applies to the Austrian platforms Dagobertinvest, Rockets, and Rendity, which have financed projects in Germany and Switzerland. Few platforms can truly be described as European in scope. These include Crowdestate (Estonia), which has financed projects in Estonia, Portugal, Poland, Latvia, Slovakia, Spain, Romania, and Poland; EstateGuru (also Estonian), which is involved in projects in Estonia, Finland, Germany, Latvia, Lithuania, Portugal, and Spain; Crowdrealestate, a Dutch platforms that has financed projects in the Netherlands, Germany, and Belgium; and Tessin (Swedish), which has financed projects in Sweden and Finland. The Italian company Walliance is now fully operational in France with the acquisition of Lymo Finance and has financed four projects also located in Spain. Recently, the Spanish platform Urbanitae has also embarked on a major internationalization process, financing projects in France, Italy, and Portugal.

Leading platforms in Europe active in the *equity* segment

4

Leading platforms in Europe adopting a *hybrid* model

7

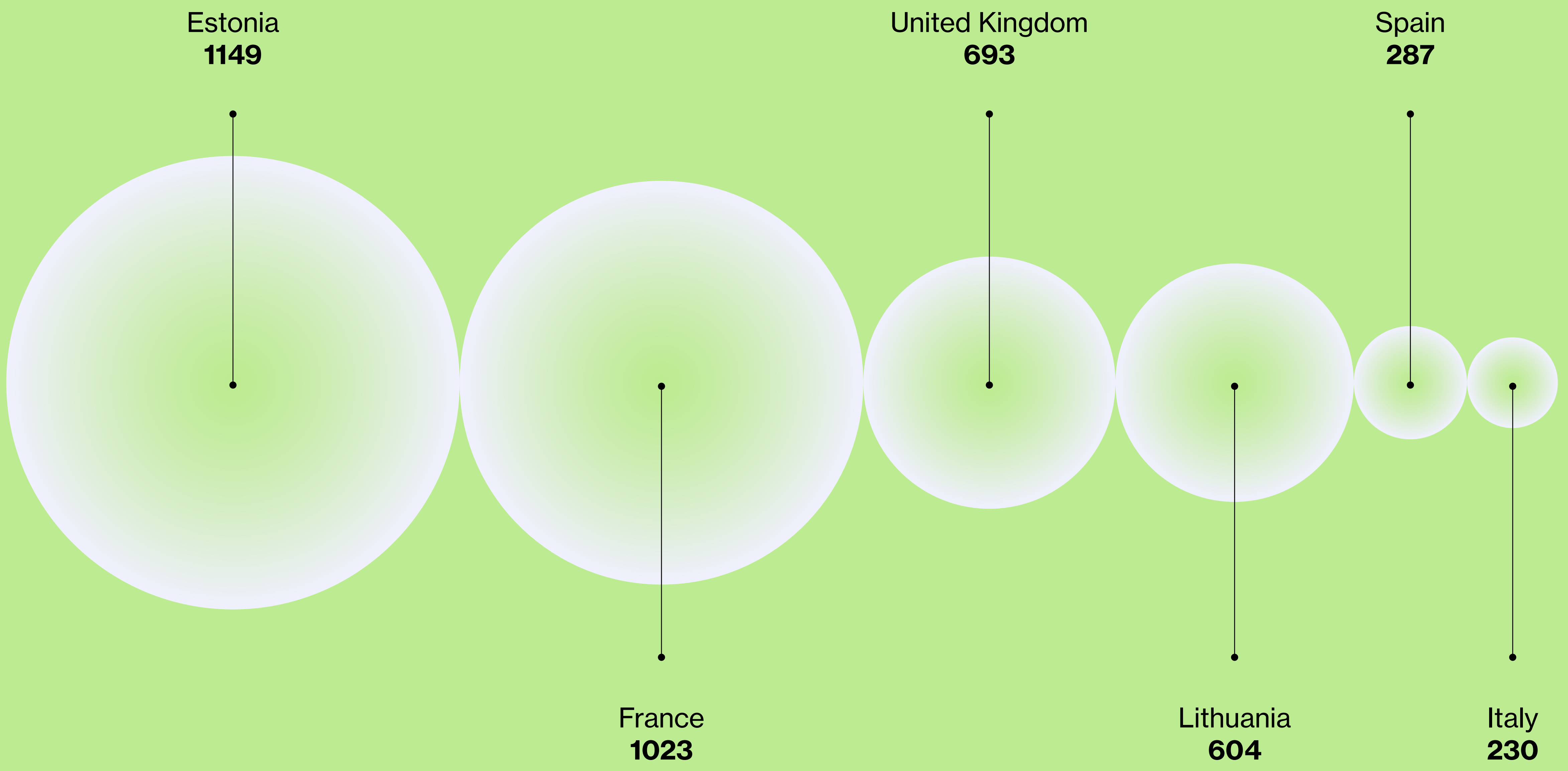
Leading platforms in Europe active in the *lending* segment

14

3.3. Projects published by the main European platforms in 2024

The total number of projects launched in Europe up to the period under consideration is slightly higher than to 32,000. With regard to the breakdown by country, **Figure 7** shows the top countries by number of new projects launched. Of particular note is the significant growth in Estonia with 1,149 projects, followed by France (1,023), the United Kingdom (693), Lithuania (604), Spain (287), and Italy (230).

Figure 7 ↓
The main European countries by number of projects launched in 2024



Some platforms, such as EstateGuru, Profitus, and Crowdestate, usually raise modest amounts, with an average of around €100,000 per campaign, while Anaxago's campaigns amount to around €5.6 million. Campaigns can often exceed €15 million, as in the case of Clubfunding.

The following paragraphs provide a more qualitative description of the projects financed, based on three criteria:

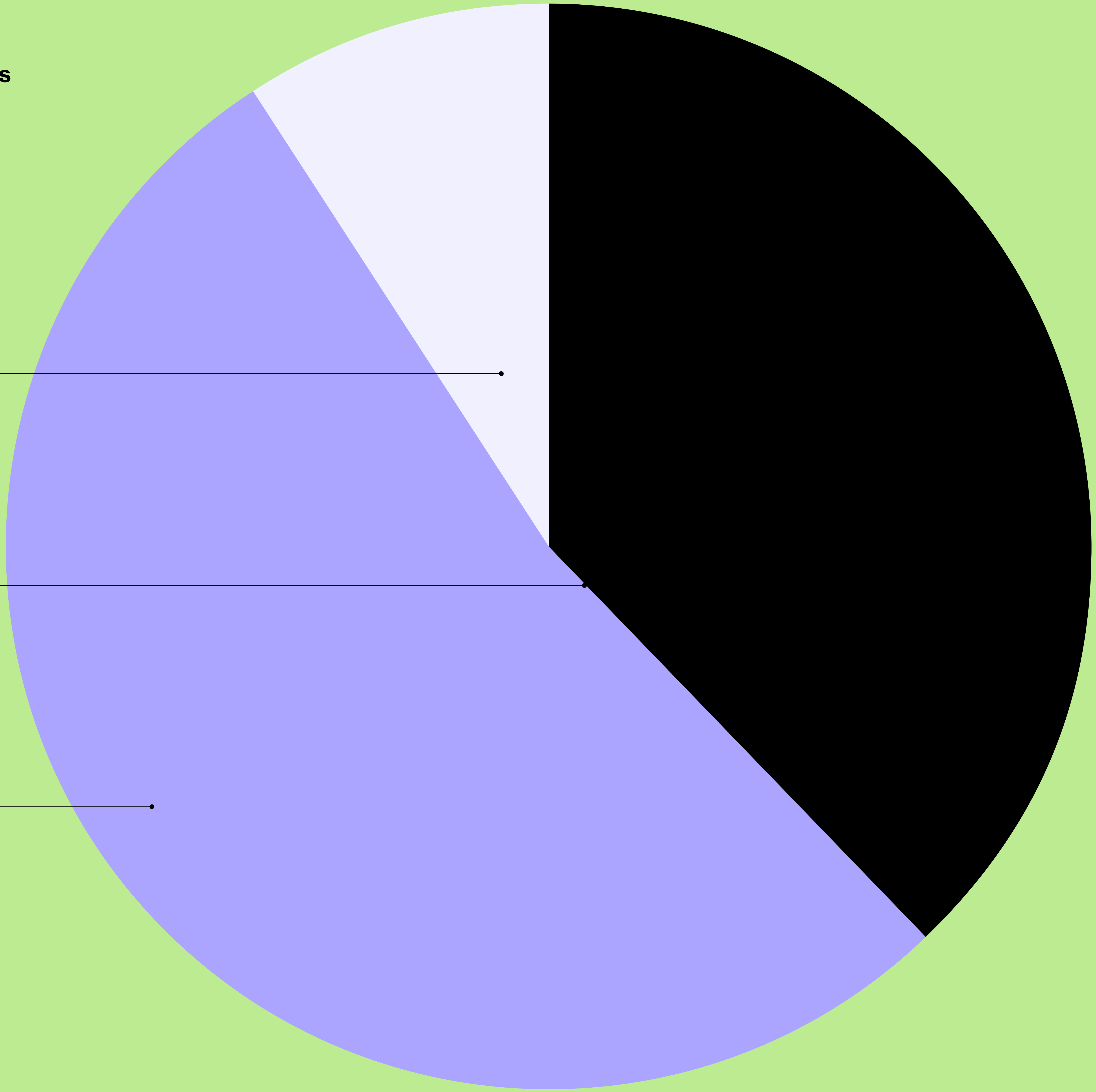
- **intended use**, i.e., whether the real estate projects financed are for residential, commercial, or mixed purposes, or whether they are part of a portfolio;
- **classification according to location** (urban, metropolitan, or rural);
- **type of project financed**, which may be renovation, new construction, post-demolition reconstruction, or cases where the campaign is not linked to a particular project.

↘ Intended use

With regard to the intended use of the properties involved in the projects, three subcategories have been identified. The main uses are residential and commercial; the “other” category includes fund-raising projects involving both residential and commercial properties, those aimed at financing investments in multiple properties, and those aimed at sustainability-related interventions.

Figure 8 shows the percentages of the three types in relation to the total. This year, there has been an increase in commercial projects, which are gaining ground over residential projects.

Figure 8 ↓
The breakdown of the intended uses of projects financed by European platforms

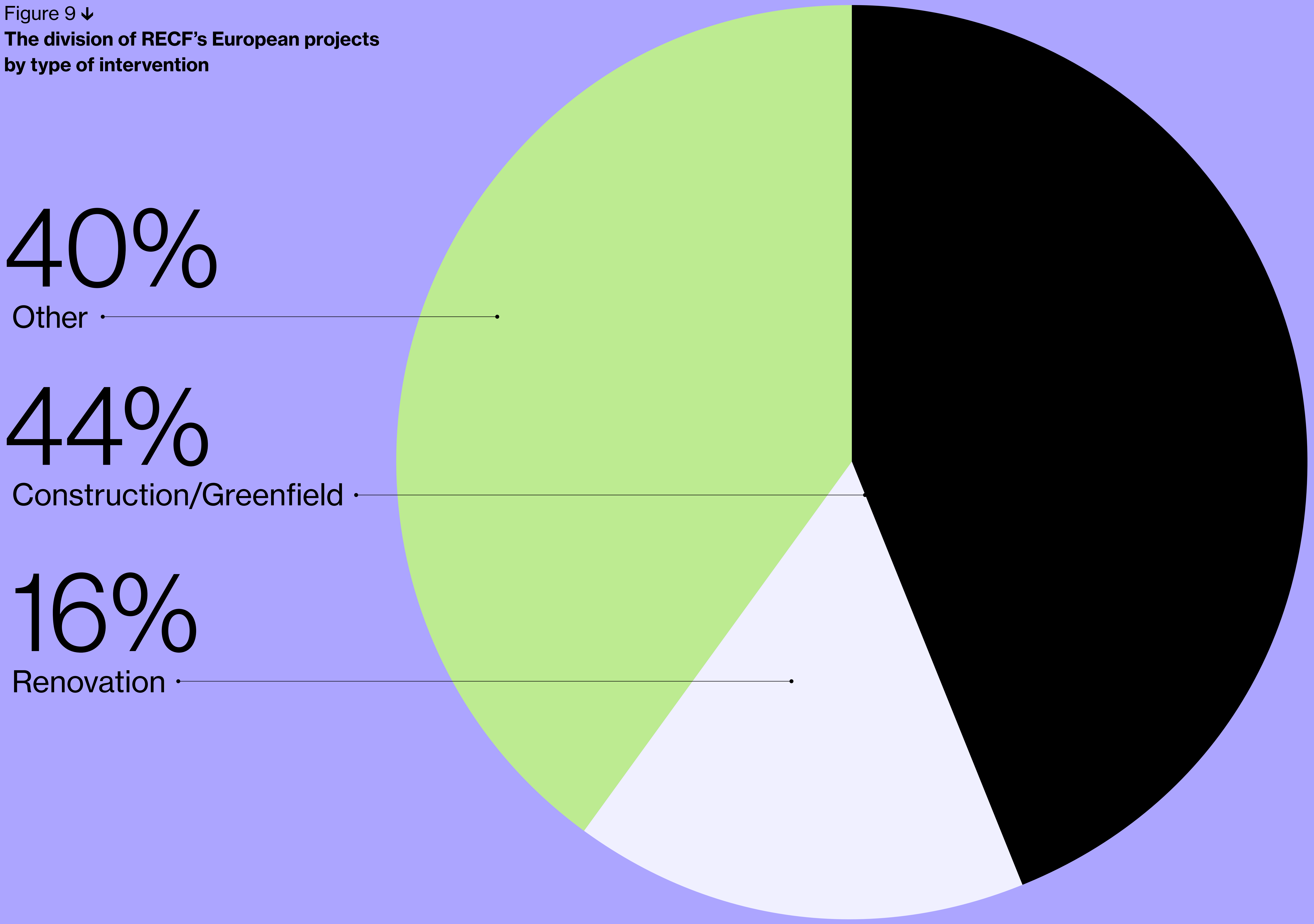


↘ Type of intervention

Finally, we analyze the type of intervention financed, distinguishing between the renovation of existing buildings, *greenfield* construction of new buildings, and other (this includes interventions not directly related to a building intervention). Most of the interventions are those relating to new construction, while renovations represent a smaller share. There is a high percentage in the "other" category, mainly linked to the growth in infrastructure projects. Figure 8 shows the breakdown by type of project financed. In detail, 44% relates to new construction and only 16% to renovation projects. The remaining 40% includes other projects related, for example, to acquisitions for resale or renewable energy projects.

It should be noted that it has not always been possible to find public information on projects from the platforms. Consequently, **Figures 8** and **9** are based on the analysis of those platforms that report such information and should be considered as general assessments.

Figure 9 ↓
The division of RECF's European projects by type of intervention



3.4. KPIs and performance indicators

↘ Campaign success rate

When a campaign is published, whether it is an *equity* or *lending* campaign, a *target* fundraising threshold is indicated, based on the investment objectives. Sometimes this threshold is binding and must be reached (*soft cap*), otherwise the campaign will be canceled and the funds will be refunded to investors. Other times, the *target* is only indicative, and a lower minimum acceptable threshold is also indicated. There is often flexibility in accepting investments even above the *target* threshold, up to a minimum value allowed by the resolutions of the collecting company (*hard cap*).

Not all platforms are transparent about past campaigns that have been closed without success; few platforms now boast a 100% success rate, while others also publish offers that have not reached their target. In general, however, the percentage of projects that have failed to raise funds is very low.

The performance of funded projects

The next step is to check how many of the projects that were actually funded had difficulties in repaying or remunerating the capital, compared to what was expected. Clearly, the concept takes on a different meaning when comparing *equity* projects with *lending* projects. In the first case, there is no loan agreement with fixed maturities and payments, so it is only possible to observe when the project was completed and the actual remuneration generated (which may even be zero in the event of project *default*). However, it is possible to compare what happened ex-post with what was stated as an ex-ante expectation. In the second case, however, the loan assumes a contractual obligation, so it is possible to define more precisely the delays in expected payments (which cannot be defined for *equity*) or actual insolvencies, which make it impossible to recover the principal and/or interest due (and therefore, also in this case, *default*). In 2024, despite the first signs of monetary policy easing by the European Central Bank, interest rates remained high compared to the pre-2022 period. This continued to make access to bank credit costly for operators, creating difficulties in financing construction sites. At the same time, households also encountered obstacles in obtaining mortgage loans, contributing to a slowdown in property sales. Inflation, although falling, still left construction costs higher than expected, putting the returns promised to investors at risk. In response, some platforms begun to introduce forms of protection for investors, such as sureties, partial guarantees, or optional early exit mechanism, where contractually provided for. These instruments aim to increase the confidence of *retail* investors, helping to reduce perceived risk in a still uncertain macroeconomic environment.

According to some estimates, the returns on RECF projects in Europe average between 9% and 10% .

With regard to the French market, the largest in Europe in terms of cumulative capital, some studies report that returns are steadily increasing, with an average value of 10.7% in 2024, up from 9.9% in 2023[5]. These figures are in line with the general European trend, which has seen increases over the last year, as demonstrated by the average values of 10.1% for EstateGuru and 12.9% for Seedrs.

5 *Study on the real estate crowdfunding market in France, Autorité des Marchés Financiers, 2024*

Table 5 highlights significant heterogeneity in the performance of real estate *crowdfunding* platforms. The platforms analyzed offer average gross annual returns mainly between 8% and 10%, with some exceptions on the downside (such as Loanpad or ZIB) or on the upside (Urbanitae). The average duration of projects varies between 12 and 30 months, with shorter trends in the Baltic and Scandinavian markets and longer trends in income vehicles (such as ZIB or Proplend). With regard to delays and *defaults*, some platforms, such as CapitalRise, Loanpad, and CrowdProperty, have an impeccable track record with zero *defaults* and no significant delays. Others, such as ClubFunding, Raisers, Homunity, and EstateGuru, have higher delay and *default* rates, often exceeding 30-40%, indicating a higher operational risk for investors. It should be noted that some platforms, while not officially reporting data, have been the subject of reports of serious delays (e.g., Exporo, Engel & Völkers Digital Invest). The lack of transparency on the part of some entities is an additional critical.

Table 5 →
The performance of the main European platforms

Platform	Average project duration	Gross annual return (%)	Delayed projects (%)	Projects in default (%)
ClubFunding	21	10	51.6	20.3
Exporo	22	7.8	N/A	N/A
ZIB Investments	12	4-5	0	0
Anaxago Immobilier	28	9.9	31.2	19.3
EstateGuru	14	10.6	N/A	43
Homunity	21	10.5	40.9	13.3
CapitalRise	17	10	0	0
Kameo	17	9.5	< 3	1-3
WiSEED	22	9.5	15	0.5
Tessin	16	8.8	0	4.5
Urbanitae	16	12	79	0
Kuflink	18	8	8.4	16
CrowdProperty	18	8	0	0
Raizers	20	10	50.3	0
Look&Fin	30	6.5	N/A	1.5
Foxstone	24	6	< 10	0
Fundimmo	20	9.3	30.4	0
Crowdrealestate	24	5.5	0	0
PlanetHome Invest	N/A	N/A	N/A	N/A
Proplend	36	8	N/A	0
Profitus	12	10	5.8	5.8
SwissLending	N/A	N/A	N/A	0
Loanpad	12	4	0	0
Crowd With Us	N/A	N/A	N/A	N/A
Engel & Völkers D.I.	18	7	N/A	N/A

It is important to note that not all projects are remunerated on time. In France, 60% of projects were delayed beyond the expected deadline, with 42% delayed by more than six months. According to a study conducted by Raizers, the European average for delays exceeding six months is between 15% and 20%, while projects at a loss account for approximately 4-6%.

4. The United States market

4.1. Platforms operating in the US

The following pages present an analysis of the US market, which remains the most developed worldwide in terms of capital raised, as well as the first market in which RECF began and subsequently evolved.

Of the 25 platforms included in the report, the top 10 in terms of capital raised and for which sufficient data was available were taken into consideration. In fact, in the analysis of individual projects, it has not always been easy to obtain information from the platforms, even with regard to targeted fundraising and successful campaigns. For 7 of the 25 platforms analyzed in the sample, even the data on the cumulative capital raised is not publicly available. This is because, as mentioned in previous chapters, many American platforms only allow accredited investors to invest in published projects.

The data in **Table 6** show that cumulative volumes are significantly higher than on European platforms, with over €28.1 billion raised by the top 10 platforms analyzed alone. Unsurprisingly, the US RECF market is much more concentrated than in Europe, with the top 5 platforms accounting for over 90% of total transactions.

Following the acquisition of Cadre, YeldStreet has become the market *leader* with €8.82 billion, while CrowdStreet and Sharestates.com complete the podium, with approximately €3.96 billion raised by each.

As anticipated in Chapter 2, fundraising in the US in 2024 amounts to: $1.9 billion (approximately €1.8 billion) with over 3,500 new projects funded over the 12 months.

Table 6 ↓
Top 10 RECF platforms in the United States by capital raised

Platform	Founding year	Cumulative capital (€ billion)	Number of projects	Average funding per project (€ million/ project)	Minimum investment ($)
Yeldstreet (+ Cadre)	2015 (2014)	8,82	170	51,9	10,000 (Private Market), 500 (Prism Fund)
CrowdStreet	2014	3,96	800	4,95	25,000
Sharestates.com	2015	3,33	4.062	0,82	5,000
Holdfolio	2014	2,85	149	19,13	20,000
Upright (ex Fund That Flip)	2014	2,39	N/A	N/A	5,000
1031 Crowdfunding	2014	2,22	N/A	N/A	25,000
Cardone Capital	2016	1,53	44	34,77	25,000 for accredited funds, 5,000 for non-accredited funds
Groundfloor	2013	1,19	N/A	N/A	10 – 100
Fundrise	2012	1,10	461	2,38	10 (standard accounts), 1,000 for IRAs
iintoo	2015	0,74	373	1,93	25,000

4.2. General characteristics of the main US platforms

With regard to the type of platform, one difference compared to European counterparts is the distribution of business models: while in Europe there is a clear predominance of platforms offering loans, in the US there is a greater prevalence of *equity*, with five of the main platforms specializing in this model, two in *lending*, and three *hybrid*. Unlike in Europe, it is very common in the US to organize offers of shares in multi-project investment vehicles with a long-term perspective.

Table 6 shows that the minimum investment for American platforms is on average higher than for European platforms; in fact, with the exception of a few platforms, in most cases the minimum investment amount is quite high. This is not surprising, as it is closely linked to what was mentioned earlier, namely the fact that many platforms in the sample only allow *accredited* investors to invest.

With regard to the fees charged to *sponsors*, there is greater variability than in Europe, which also reflects the heterogeneity of *business* models. For example, some platforms offer swap contracts on real estate properties to avoid *capital gains* taxes; in this case, the *fees* are higher (**Table 7**). In this case, we report separate data for Yeldstreet and Cadre, as management appears to still be separate.

Table 7 →
Fees of the main US RECF platforms

Platform	Fundraiser fee	Investor fee	Secondary market fee
YieldStreet	N/A	*Management fee* from 0% to 2.5% depending on the offer *Incentive fee* depending on the offer	N/A
CrowdStreet	Between 0.50% and 2.5%	Between 0.50% and 2.5%	No
Cadre	1.5% annual *management fee*	1) A one-time transaction fee included in the investor's financing amount for each transaction. 2) An annual management fee, which is deducted from the distributable cash flow.	Buyers are charged a commission of 1.5% on the gross transaction price, while sellers are charged a commission of 3.25%.
Sharestates.com	Origination fee: 1%-5%	N/A	No
Holdfolio	N/A	N/A	N/A
Upright (ex Fund That Flip)	Origination fee: 1.5%-3.5%; 1%-3% additional on the interest rate	N/A	No
1031 Crowdfunding	3.5% acquisition fee, 1% financing fee, and property management fees of approximately 4% of gross rent.	N/A	No
Cardone Capital	1% asset management fee; 1% transaction fee; 20% success fee	N/A	No
Groundfloor	2%-4,5%; Closing costs: $1.250; Application fee: $ 250	N/A	No
Fundrise	2%-4.5%; Closing costs: $1,250; Application fee: $250	Maximum potential total fees equal to 0.15% annual advisory fee and 0.85% asset management fee	N/A
iintoo	N/A	Deal origination fee del 7%	No

4.3. Projects financed by the main US platforms

Table 8 shows the average project duration and gross yield. What is clear is that there is considerable heterogeneity among platforms, both in terms of average project duration and returns. While operators such as Cadre and Holdfolio focus on high returns (up to 18-19.5%), others such as YieldStreet and Groundfloor offer more moderate returns but over shorter time horizons.

Table 8 ↓
Average duration and performance of projects of the main US RECF platforms

Platform	Average project duration (months)	Gross annual return	Projects behind schedule (%)	Projects in default (%)
YieldStreet (+ Cadre)	1-5 years	9-18%	N/A	7
CrowdStreet	43	11.20%	N/A	12
Sharestates.com	6-24 months (typical *bridge/rehab loans*)	8-12% per annum, average historical return; 10% net on closed projects	2.06	4.5
Holdfolio	N/A	19.50%	N/A	N/A
Upright (ex Fund That Flip)	3–24 months for individual loans (*Individual Notes*) 12 months for *Pre-Fund*	historic 10% annual return	9–10	1,8
1031 Crowdfunding	N/A	N/A	N/A	N/A
Cardone Capital	10 years	12-15%	N/A	N/A
Groundfloor	6–12 months (some up to 24)	10.8% IRR achieved	10	0.86
Fundrise	N/A	N/A	N/A	N/A
iintoo	36 months	10.43%	N/D	N/D

As far as return targets are concerned, American platforms almost never publish actual ex-post returns, making it impossible to compare actual results with expected results. Very often, even the expected returns are not available on websites.

As a statistically insignificant reference, we can indicate a target of between 15% and 22% per annum for *equity* platforms and between 7% and 12% for *lending*.

5. The RECF market in the rest of the world

5.1. The RECF market in the rest of the world

Extending the scope of the analysis to the rest of the world, following the methodological criteria of the research, 34 relevant platforms were identified, located in two main geographical macro-areas: Asia-Pacific, Latin America plus Canada (see **Table 9**, which lists the most important ones). The estimated aggregate capital raised to date is €4.8 billion.

The situation varies greatly depending on the area considered, and it is therefore useful to analyze the two groups separately (**Table 9**).

Table 9 ↓
The main RECF platforms in the rest of the world

Platform	Year of foundation	Country	Cumulative capital (€ million)	Number of projects	Minimum investment (€)
Latin America and Canada					
FrontFundr	2019	Canada	262,20	269	N/A
Briq.mx	2015	Mexico	123,92	137	20
Urbe.me	2014	Brasil	30,00	307	500
Simplestate	2019	Argentina	29,44	N/A	45
M2Crowd	2017	Mexico	26,88	369	250
Crowdium	2016	Argentina	24,84	147	10
Monific	2018	Mexico	19,50	30	45
Asia-Pacific					
Zagga	2016	New Zeland	1.342	150	N/A
SmartOwner	2012	India	1.200	N/A	2.000
Duocaitou	2014	China	835,90	1.214	N/A
OwnersBook	2014	Japan	379,67	373	N/A
Dana Syariah	2017	Indonesia	224,46	N/A	55
VentureCrowd	2013	Australia	201,30	N/A	140
Smart Crowd	2016	UAE	50,0	149	115

5.2. Asia and the Pacific

Analysis of this area is always rather complex due to the difficulties encountered in finding information, caused by both language barriers (many platforms only provide content in the local language) and the low level of *disclosure* by individual platforms. The actual size of the market in this area could in fact be larger. According to our findings, the New Zealand platform Zagga ranks first in terms of cumulative capital, while in India, the Smart Owner platform is noteworthy, having raised cumulative capital of approximately €1.2 billion. Compared to last year, China enters this ranking with the Duocaitou platform (€835.9 million).

5.3. Latin America and Canada

As shown in **Table 9**, the leading platform in terms of cumulative capital is FrontFundr, based in Canada, with €262.2 million. Other significant platforms in this area include Mexico's Briq.mx, which has raised cumulative capital of €123 million. The RECF market is also growing in this area. However, the attractiveness of real estate investments remains affected by high inflation, bureaucracy, and corruption.

6. The Italian market

The RECF industry in Italy has taken off in recent years, lagging behind other European countries partly due to the absence of specific regulations. In fact, until 2017, *equity crowdfunding* opportunities were reserved only for startups and innovative SMEs, while for many years, lending to businesses was the preserve of banks, and P2P *lending* platforms operated for some time lending only to individuals. The first RECF platform active in Italy was Walliance, in September 2017, shortly after the entry of Housers from Spain at the end of July of the same year.

In 2024, compared to 2023, there was a slight increase in the real estate sector, with a recovery in residential volumes and a decline in average mortgage rates (Revenue Agency - ABI, Residential Real Estate Report). The figures for the platforms analyzed in the 2024 sample reflect this recovery, despite the initial slowness with which authorizations were issued on the basis of the ECSP Regulation, which expired on November 10, 2023 (date on which only 10 Italian platforms had obtained authorization, including 4 real estate platforms). For this reason, the sample of platforms analyzed compared to 2023 has a negative balance of 3 platforms. As of the date of this report, 18 of the platforms analyzed in the sample have obtained ECSP licenses and are regularly operational, compared to the 22 considered. Even today, some platforms have suspended their activities as they are waiting to comply with EU regulations or the adjustments required by Consob. Specifically, of the sample of 22 platforms analyzed, three have suspended operations: one, Re-anima, is awaiting an ECSP license, another, Rendimento Etico, has been suspended by CONSOB, and Recrowd has been suspended by the Bank of Italy until it adopts the measures imposed on it. Three platforms have no information available regarding the granting of a license (Re-source, The builder, and Valore Condiviso).

Let us recall the steps taken to implement the ECSP legislation in Italy. Decree Law 30/2023 set some important ‘boundaries’, which can be summarized as follows:

- Consob and the Bank of Italy were both identified as the national authorities responsible for supervision. There is a division of roles between them. The former is the competent authority for collecting authorization applications and ensuring the transparency and fairness of *crowdfunding* services (including *marketing* communications) in coordination with ESMA; the second deals with capital adequacy, risk containment, corporate *governance* and organizational and business continuity requirements, administrative and accounting organization, and internal controls. From a procedural point of view, two channels for managing administrative processes have been defined: Consob, after consulting the Bank of Italy, will authorize *crowdfunding* service providers pursuant to Article 12 of the ECSP Regulation and may revoke the authorization pursuant to Article 17 of the same regulation. The Bank of Italy, after consulting Consob, will authorize banks, payment institutions, electronic money institutions, and supervised financial intermediaries that intend to offer *crowdfunding* services.
- For businesses, the main change is the extension of *equity crowdfunding* (previously reserved for SMEs, including innovative startups) to all corporations. To facilitate a secondary market for investments, the possibility of using the alternative regime for registering shares in limited liability companies (Srl) without any costs or charge shares in limited liability companies

(Srl) without any costs or charges for registration or transfer of shares, either for the buyer or the seller, is confirmed, with an exclusively national provision.

- The existing limits in the Civil Code on the placement of debt securities and bonds by limited liability companies (Srl) and joint-stock companies (SpA) have not been repealed. However, the subsequent Law 21/2024 ('Capital Law') has 'relaxed' certain restrictions for both SpAs and Srls (in particular, the latter are now allowed to have debt securities subscribed by professional investors not subject to prudential supervision, provided that this is included in the terms of the issue). In addition, the Capital Law also introduces the possibility of dematerializing the capital shares of Srl companies.

The market authorities have closed the loop: with Resolution No. 22720 of June 1, 2023, Consob issued the Regulation on crowdfunding services, which fully replaces the previous one. This is a very concise document (since most of the rules are contained in the ECSP Regulation), clarifying certain details regarding the authorization and revocation process, disclosure requirements, and the way in which platforms must deliver marketing communications to clients.

After consulting with market operators, the Bank of Italy defined the "Bank of Italy Supervisory Guidelines on Specialized Crowdfunding Service Providers," indicating its expectations on how platforms must comply in terms of governance, internal controls, assessment of the suitability of internal representatives, and *due diligence* on projects submitted. In May 2024, the Bank of Italy issued the Provision "Provisions of the Bank of Italy implementing Article 4-sexies.1 of the TUF on *crowdfunding* service providers for businesses", which contains provisions regarding the annual communications that portals must make, as well as the requirements for shareholders and platform representatives.

6.1. Platforms operating in Italy

At the date of publication of this report, the sample taken into consideration includes 22 platforms in Italy specializing in real estate. As indicated above, this sample includes 3 platforms (Re-source, Valore Condiviso, The builder) that do not provide information about obtaining an ECSP license, one that is awaiting a license (Re-anima), while one has temporarily suspended its activities (Rendimento Etico).

To date, 2,059 campaigns have been closed and financed since real estate *crowdfunding* became active in Italy. In 2024, approximately €300 million was raised (of which over 70% was in lending). During the same year, 230 campaigns were registered, down from 408 in 2023 (the vast majority of which were *lending* campaigns). In 2022, there were 25 *equity* campaigns and 315 *lending* transactions.

In the first half of 2025, funding reached €80.90 million, 62% of which was through *lending* campaigns. Therefore, in the first half of the year, there was an increase in the share of *equity crowdfunding* in the total. In July 2025, the total amount of capital raised exceeded € 850 million.

Table 10 shows how some platforms target a fairly broad range of investors, with minimum investment amounts as low as €50 and €100, while other platforms, especially *equity* platforms, prefer to target more sophisticated investors, with minimum amounts of €5,000 (such as Concrete Investing).

Table 10 ↓

The top 15 Italian RECF platforms by cumulative capital[6]

Platform	Year of establishment	ECSP authorization	Cumulative capital (€ million as of 31/12/2024)	Minimum investment (€)
Bildap	2021	Yes	3,05	5,000
Bridge Asset	2020	Yes	37,37	1,000
Build Lenders	2020	Yes	6,57	500
Concrete Invesing	2018	Yes	72,55	5,000
CrowdRe by Opstart	2020	Yes	92,79	50
Demetra Lending	2021	Yes	3,89	1,000
Leone Investments	2021	Yes	13,85	1,000
Re-Lender	2019	Yes	40,49	50
Recrowd	2019	Yes, temporarily suspended	191,28	250
Rendimento Etico	2019	Yes, temporarily suspended	91	500
Trusters	2017	Yes	73,17	250
Upside Town	2020	Yes	9,48	1,000
Valore Condiviso	2020	N/A	4,8	N/A
Walliance	2017	Yes	183,03	500
Yeldo Crowd	2022	Yes	19,78	N/A

6 Only platforms that publicly disclose the data are included.

Table 11 shows data updated to July 2025, also reporting the average funds raised per project for each platform, with YeldoCrowd and Concrete Investing recording the highest values on this metric (respectively €2.47 million and €2.15 million per project), and Build Lenders showing the lowest value (€0.15 million).

Table 11 ↓

Average fundraising per project for the top 15 Italian platforms by cumulative capital

Platform	Cumulative capital (€ million as of 2025)	Total number of projects	Average funding per project (€ million/project)
Bildap	4,55	5	0,91
Bridge Asset	44,80	171	0,26
Build Lenders	7,70	51	0,15
Concrete Invesing	81,78	38	2,15
CrowdRe by Opstart	93,09	334	0,28
Demetra Lending	3,89	12	0,32
Leone Investments	17,80	39	0,46
Re-Lender	41,10	190	0,22
Recrowd	222,72	163	1,37
Rendimento Etico	91	307	0,30
Trusters	81,30	442	0,18
Upside Town	15,90	14	1,14
Valore Condiviso	4,80	27	0,18
Walliance	189,00	191	0,99
Yeldo Crowd	19,78	8	2,47

On average, the amount raised per project is € 0.76 million, compared to €2.13 million raised at European level (**Table 2**) and €16.55 million raised per project in the United States (**Table 6**).

Table 12 shows the expected return on projects promoted by Italian platforms. The duration of projects ranges from 12 to 28 months on average, while annual returns average around 10%.

Table 12 →
The performance of Italian RECF platforms

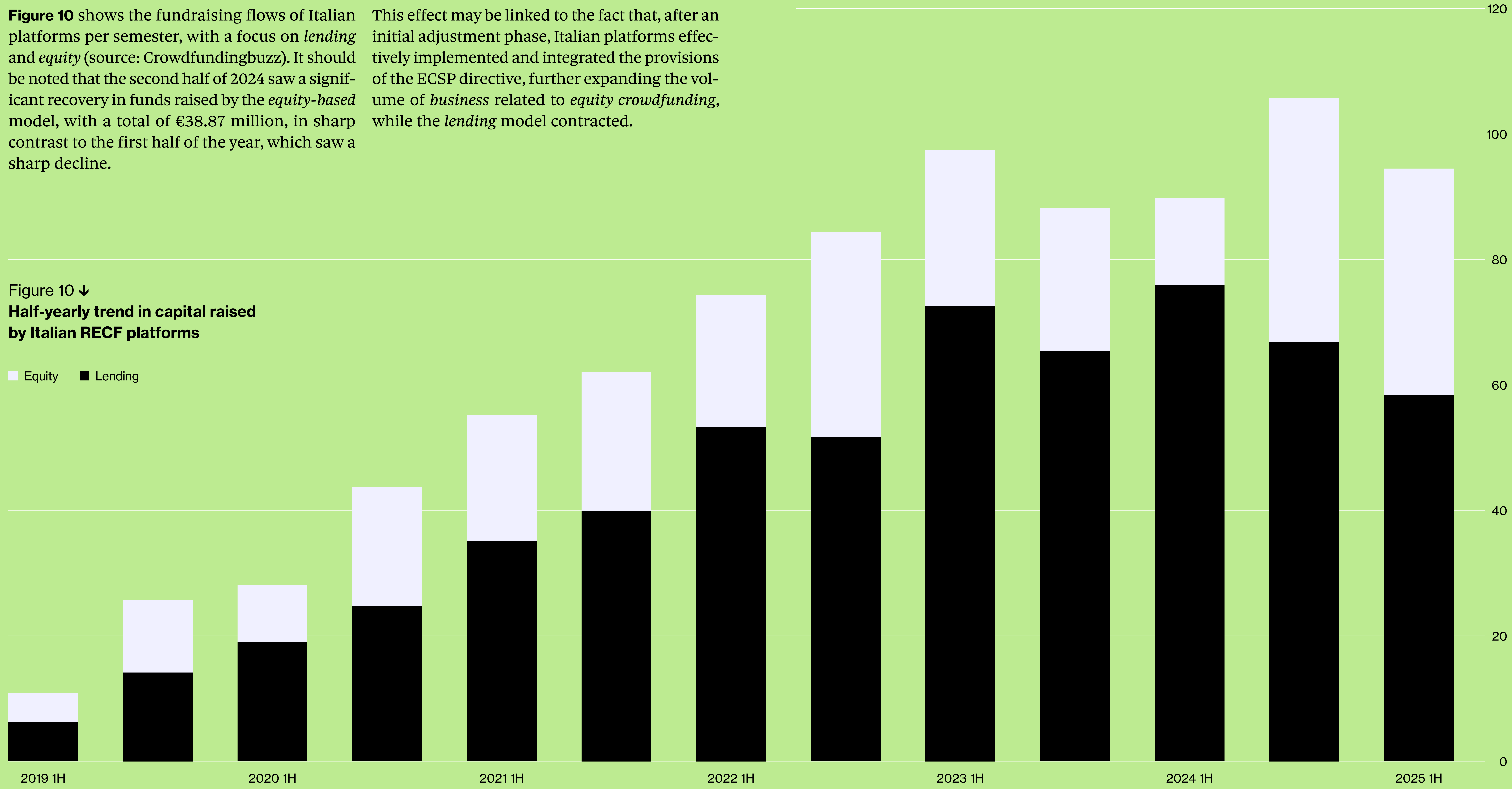
Platform	Average project duration (months)	Gross annual return	Default rate	Projects behind schedule
Bildap	17	10%-15% equity; 5% lending	No information provided	No information provided
Bridge Asset	12	10.6%	0.00%	No information provided
Build Lenders	12	11.5%	5.00%	No information provided
Concrete Investing	28	11.4%	No information provided	No information provided
CrowdRe by Opstart	12	12.00%	12.14%	No information provided
Demetra Lending	26	7.70%	0.00%	No information provided
Leone Investments	14	10.7%	4.17%	Value of delayed projects: €880.000
Re-Lender	17	9.00%	20.00%	No information provided
Recrowd	12	10.30%	Value of defaulted projects: €21.97 million	Value of delayed projects (over 6 months): €3.18 million
Rendimento Etico	13	10%	33 projects in default	53 projects behind schedule
Trusters	15	10.1%	No information provided	1 project reported as delayed by more than 90 days
Upside Town	13	19.5%	No information provided	0 delayed projects
Valore Condiviso	12	10.39%	0.00%	No information provided
Walliance	20	9.52% equity; 11.87% loans; 8.14% bonds	Value of defaulted projects: €0.35 million	Value of projects in arrears (over 3 months): €61.38 million
Yeldo crowd	23	IRR 14.3%	13.25%	0.00%

The table shows significant differences in terms of returns and risks. First of all, it should be noted that the average time frame ranges from 12 to 28 months. In terms of returns, the average is around 10%, with some peaks, such as Upside Town, which offers a very high return (19.5%) with no reported delays. In contrast, Re-Lender, with a return of 9%, has a default rate of 20%. Some platforms, such as Recrowd and Walliance, report details of delayed or defaulted projects with great transparency. Others, such as Bridge Asset and Valore Condiviso, report a default rate of zero. These discrepancies highlight the importance of evaluating not only the promised returns, but also transparency and risk management.

Figure 10 shows the fundraising flows of Italian platforms per semester, with a focus on *lending* and *equity* (source: Crowdfundingbuzz). It should be noted that the second half of 2024 saw a significant recovery in funds raised by the *equity-based* model, with a total of €38.87 million, in sharp contrast to the first half of the year, which saw a sharp decline.

This effect may be linked to the fact that, after an initial adjustment phase, Italian platforms effectively implemented and integrated the provisions of the ECSP directive, further expanding the volume of *business* related to *equity crowdfunding*, while the *lending* model contracted.

Figure 10 ↓
Half-yearly trend in capital raised by Italian RECF platforms



As with European platforms, here we report details of projects broken down by intended use and type of intervention for Italian platforms. Again, the analysis is based on platforms that make project information public. **Figure 11** shows that 80% of projects in Italy are residential and only 15% are commercial. **Figure 12**, on the other hand, shows details on the type of intervention. In 70% of cases, the interventions concern renovation, while only 25% refer to new construction.

Figure 11 ↓
Breakdown of RECF projects in Italy by intended use

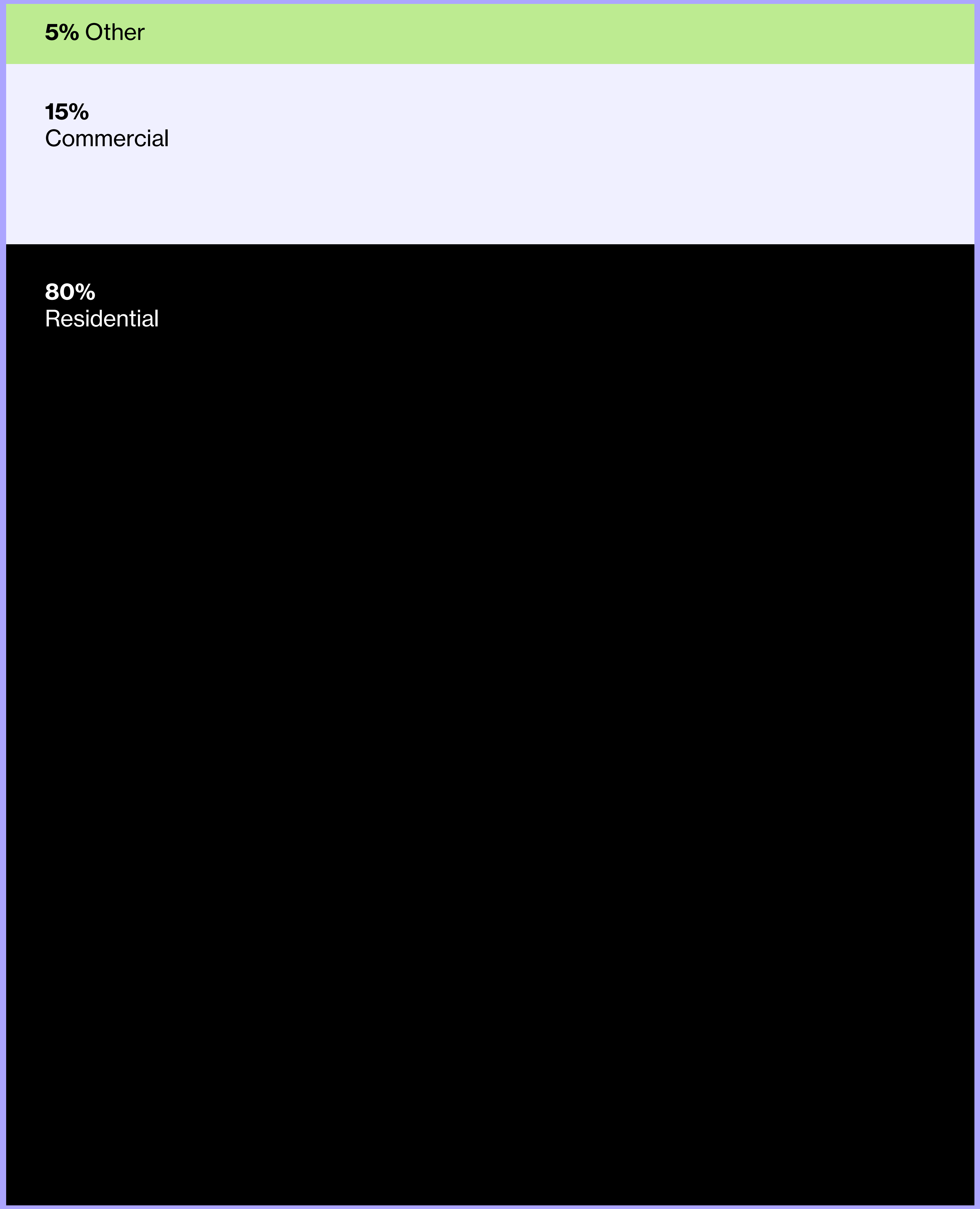


Figure 12 ↓
Breakdown of RECF projects in Italy by type of intervention

Table 13 summarizes the information on costs and fees charged by Italian platforms that were authorized at the date of completion of the report. For some platforms, especially the newer ones, this information is not available from the material publicly available on the website. It can be noted that almost no platform charges investors commissions, while financed companies are required to pay a success fee, sometimes accompanied by a fixed commission.

Table 13 →
Costs and fees charged from RECF platforms operating in Italy

Platform	Fundraiser fee	Investor fee
Recrowd	*Success fee* between 4 and 6% of the amount raised	N/D
Walliance	Average *success fee* of 6% on the value of the amount raised.	*Success fee* of 0.50%-1% if, upon repayment, the project meets the annual ROI or TAN initially forecast
Rendimento Etico	Fixed component + variable *success fee*, which also includes a 1% commission on the capital raised, linked to the Default Guarantee fund, and a0.5% commission to fund the ethical fund for assistance in cases of housing hardship	N/A
CrowdRe by Opstart	N/A	N/A
Trusters	Between 5% and 7%, depending on the amount raised and the project's risk	None
Concrete Investing	*Retainer fee* + *success* fee calculated as a percentage of the capital raised	Variable between 1% and 2.75% depending on the amount invested
Re-Lender	N/A	0
Leone Investments	None	N/A
Upside Town	*Success fee*	N/A
Housers Italia	N/A	N/A
Valore Condiviso	N/A	0
Demetra Lending	N/A	N/A
PrePay investimenti	None	N/A
Isicrowd	None	N/A
The builder	N/A	N/A

On *lending* platforms, it is quite common for some real estate projects to be financed by several successive campaigns. This usually happens when a gradual pre-sale of the apartments under construction is expected; as they are sold, the loan capital is repaid and there is therefore scope to raise new capital to finance subsequent stages of progress.

It also often happens that different projects are proposed by the same entrepreneurs. It is conceivable that a positive experience after the first campaign could encourage them to repeat the fundraising in another operation using the RECF tool. Similarly, financiers may find it reassuring that the promoters have already been able to raise capital and are remunerating and repaying it as promised. This is an important signal that enhances the *track* record of the *sponsors*. In the past, in the case of some platforms, the first operations were all proposed by the same operator. It is conceivable that, in this case, the strategy was to initially rely on known and reliable interlocutors, and then extend the platforms to other operators once the trust of the market had been gained.

It should be noted that the new ECSP legislation introduces elements of greater attention to possible conflicts of interest between platform operators and project proponents.

It should be noted that, naturally, platforms that have been operating for less time are less likely to have accumulated delays.

In terms of the type of real estate projects, Italy sometimes differs from the rest of the European market. In fact, renovation projects account for the majority of campaigns proposed in the last 12 months. These interventions often require smaller investments and are preferred by lending platforms. A much smaller proportion of projects involve new construction, while the remaining campaigns involve post-demolition reconstruction or fundraising that is not directly related to a construction project. As regards the intended use of the property, residential projects account for the vast majority of the total amount financed.

7.

Digital technologies and sustainability

7.1. The role of digital technologies

Digital technologies are a key enabler for the growth and evolution of real estate crowdfunding. Tools such as artificial intelligence (AI), blockchain and cloud-based platforms are radically transforming the management, brokerage and monitoring of collectively financed real estate projects.

Blockchain, for example, offers innovative solutions for transaction traceability and security, as well as asset tokenization. Recently, US-based CrowdStreet promoted a project with a tokenization option, allowing investors to sell part or all of their investment share flexibly, using *blockchain* and alternative *trading* systems (ATS). This technology promises to improve liquidity, reduce transaction costs, and make real estate investments more controllable and transparent. Other possible applications of *blockchain* include, for example, the use of *smart contracts*, through which it is possible to automate the distribution of returns to investors, reduce intermediation costs, and ensure greater transparency in contractual relationships.

Furthermore, the growing development of artificial intelligence offers opportunities related to the ability to develop more accurate analyses of investment risks and opportunities, the ability to evaluate properties using machine learning tools, assess the *credit scoring* of promoters, and forecast expected returns, thereby improving the transparency and quality of investment decisions.

Finally, automation and digitalization of operations could significantly reduce operating costs for RECF platforms, making even micro-investments economically viable. This represents an important lever for inclusiveness and access to new segments of retail investors.

7.2. Sustainability in RECF

Sustainability in real estate crowdfunding manifests itself on two distinct but interconnected levels: that of the environmental and social impact of the projects financed, and that of the sustainability of the RECF model as a tool for democratizing access to investments.

Firstly, RECF platforms are paying increasing attention to real estate projects with ESG (*Environmental, Social and Governance*) characteristics. These investments can also be geared towards making urban environments more sustainable. This is the case, for example, with the US platform EquityMultiple, which incorporates ESG assessments into its investment projects. In several European countries, some platforms—such as EstateGuru—specialize in financing sustainability-oriented projects, such as the energy retrofitting of existing buildings, the construction of social housing, or the promotion of low-environmental-impact living spaces. These initiatives not only generate economic returns, but also meet sustainable development objectives, contributing to urban regeneration and climate resilience. In Italy, Walliance has recently launched four projects aimed at financing sustainable initiatives, mainly related to energy infrastructure.

On the second level, the RECF model itself promotes a more inclusive and participatory form of finance. By allowing a broad and diverse audience to invest in assets traditionally reserved for large institutional investors, real estate *crowdfunding* contributes to the democratization of investment. Even with limited capital, retail investors can access opportunities in the real estate market, diversify their portfolios, and participate in urban value creation. Furthermore, the digital and disintermediated nature of RECF reduces many of the typical barriers to the real estate sector, such as high entry thresholds and bureaucratic complexity.

8. Possible scenarios

8.1. Competitive scenarios

Despite the complex scenario characterized by growing uncertainty, real estate crowdfunding showed a certain liveliness in 2024, both in Europe and the United States, and maintained its position in Italy. On the contrary, it is clear that the sector is becoming increasingly mature, with platforms diversifying their services, acting as mature players in the real estate market, providing advisory services, expanding their investment range to include green investments, and increasingly incorporating digital technologies into their business models.

In the EU, the maturity of the sector is also driven by the entry into force of the ECSP regulation, which in the near future will tend to give greater stability to the sector and standardization among platforms. In light of these developments, it is likely that in the coming years we will see increasingly international competitive dynamics and the consequent expansion of certain players. This could change the competitive dynamics of the market, which currently—in Europe—has a lower degree of concentration than the US market.

In this scenario, international growth, diversification of offerings, the inclusion of sustainability-oriented projects, and the integration of technologies capable of optimizing processes and increase transparency represent very significant areas of potential development for achieving and maintaining prominent positions in the market.

8.2. Growth prospects

The forecasts for 2024 have been largely confirmed, with some trends exceeding expectations.

In the United States, the €30 billion mark is now within reach, confirming its *leadership* in the *real estate crowdfunding* sector. By 2025, considering the steady growth of the market and the expansion of the investor base, a further increase is possible, which could bring the cumulative total to around €32 billion. Europe has seen significant growth, with a cumulative volume reaching €20.1 billion. If the current *trend* remains stable and there are no macroeconomic *shocks*, 2025 could close at around €22-23 billion. With reference to EU countries alone, the total is € 14.4 billion. By 2025, the figure could approach €18 billion, or even €20 billion according to the optimistic scenario (**Figure 13**). France remains the main driver, while the Baltic countries are establishing themselves as new hubs on the rise. Italy exceeded expectations, reaching €800 million in cumulative funding, driven by the expansion of *lending* and the entry of new operators. Next year, it is very likely that the symbolic threshold of €1 billion will be reached, with continued solid growth (**Figure 14**). Finally, the rest of the world has shown surprising growth, although strongly influenced by a single dominant platform. Net of any adjustments, it is plausible to assume that 2025 could also bring the global total outside the US and Europe to over €5 billion cumulatively, with the emergence of new players in Asia and Latin America. 2025 therefore looks set to be a year of further consolidation and internationalization for the global real estate crowdfunding sector.

Figure 13 ↓

Estimates of RECF market growth in Europe (excluding non-EU countries)

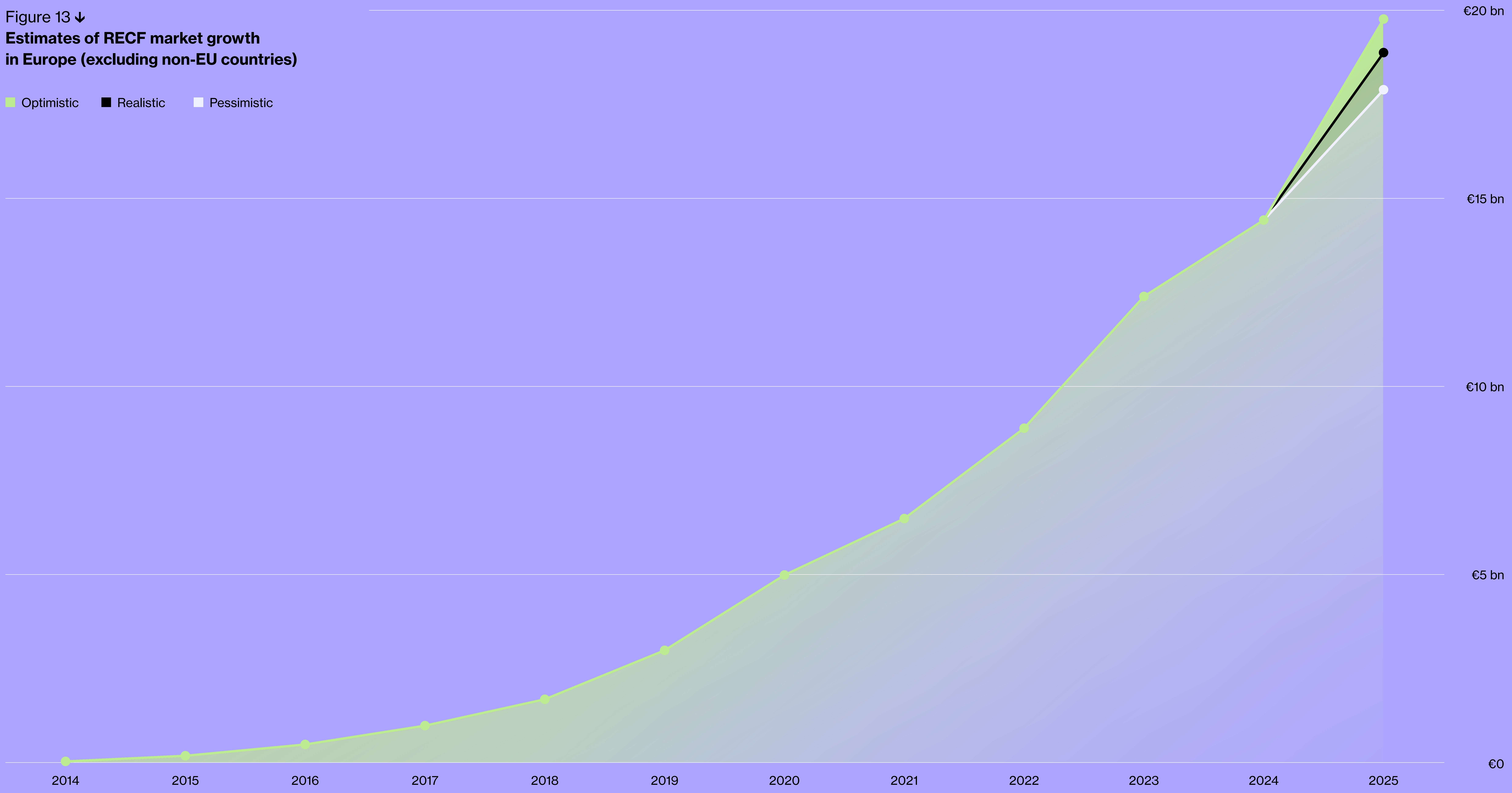
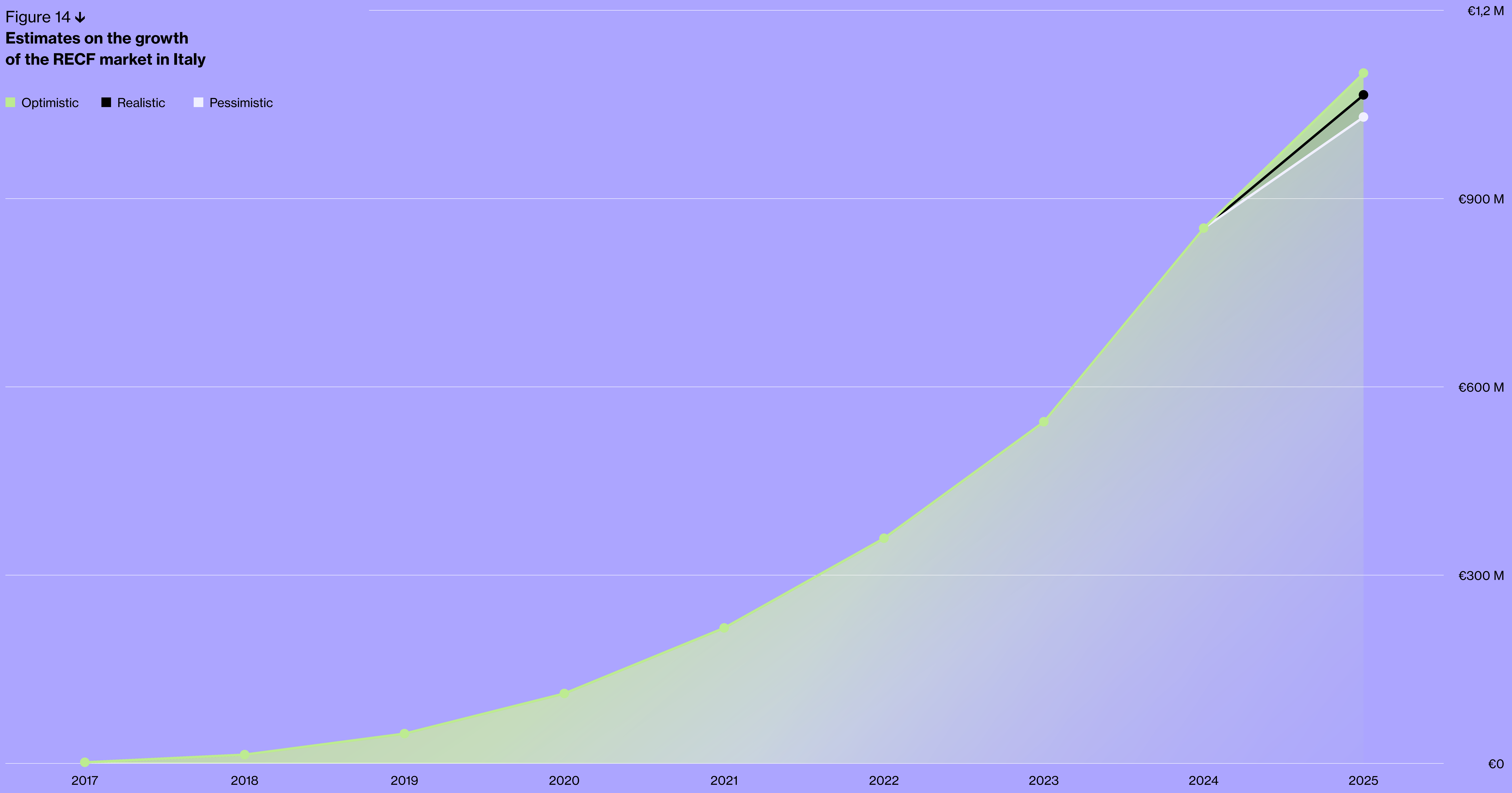


Figure 14 ↓

Estimates on the growth of the RECF market in Italy



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