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Online Property Marketing Firm PropTiger Raises \$5M From SAIF, Accel

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Real estate marketing services startup

PropTiger Realty Pvt Ltd, which runs the online platform [PropTiger.com](#), has raised Rs 25 crore (\$5 million) from SAIF Partners and Accel Partners in a second round of funding. This follows an earlier round of funding by a few HNIs last year.



PropTiger was set up in February 2011 by [Dhruv Agarwala](#), [Kartik Varma](#) and [Prashan Agarwal](#).

Agarwala and Varma were classmates at Harvard Business School and had previously built iTrust Financial Advisors, a mass-market wealth management business, which they subsequently sold to the Karvy Group. Prashan Agarwal is an alumnus of IIT Kanpur and ISB, Hyderabad, who had previous exposure in the Internet and technology businesses.

PropTiger focuses on marketing new residential real estate developments, aimed at the mid-end of the market, and has a transaction run rate of 300 units a month.

In a little over a year, the firm has booked transactions with gross value of property aggregating to around Rs 1,100 crore. With a typical industry margin of 2-2.5 per cent of property value, PropTiger would have clocked revenues of around Rs 22-27.5 crore.

Potential customers of PropTiger leave their required property specifications online. Thereafter, the firm's real estate experts, all of whom are company employees, initiate contacts with these clients and offer a wide range of services including identifying apartment options, organising site visits, budget and affordability analysis, helping with unit selection and application filing with real estate developers to facilitate housing loans.

The company is now targeting Rs 10,000 crore of gross value of property sold by 2016, which would, thereby, take its revenues to around Rs 200 crore or more.

Kartik Varma, co-founder of PropTiger, said that the new funding would be used to further strengthen the technology platform and hire more people. "The market is very fragmented with many small local players in this space and there is a huge opportunity to build a pan-India property marketing services firm. Although there are a few Internet-enabled real estate businesses, almost all of those are in the classified listing business, which is a media play, and none of them provides end-to-end services to home buyers," he said.

At present, PropTiger has 200 employees who are mostly on-ground sales personnel, and the company is looking to take this to 500 by mid-2013. The firm is currently operating in eight top cities but has also booked deals outside these geographies.

Ravi Adusumalli of SAIF and Prashanth Prakash of Accel have joined PropTiger's board as part of the investment.

Commenting on the transaction, Adusumalli of SAIF said, "India is in the early stages of a long cycle in residential ownership driven by rising income levels, nuclearisation of families and a 20 million shortage in housing units. We are excited to partner with PropTiger in its mission to help middle-class Indian families achieve their home ownership goals."

For SAIF, this is the first fresh portfolio investment in 2012. Earlier this year, it joined IDG Ventures India in a \$14 million series B round of investment into BrainBees Solutions Pvt Ltd, which owns the brands FirstCry.com and GoodLife.com. SAIF had also invested \$4 million in the company in May 2011.

"The real estate industry is ripe for using technology to make the home buying process a more efficient one for buyers and sellers. We look forward to helping PropTiger innovate to provide the best services to both end-buyers and real estate developers," said Prashanth Prakash of Accel.

This is Accel's fifth deal since January this year. Earlier, it invested in Jewels Online Distribution India Pvt Ltd (which owns and operates online jewellery store [Bluestone.com](#)); Salar Online Pte Ltd (runs [Zansaar.com](#), engaged in retailing home decor products); Enterprise Nube Services Pvt Ltd (provides Cloud solutions for companies in marketing, sales and customer service domains besides enabling firms to enhance customer engagement on social networks) and HMS Infotech Pvt Ltd (Cloud-based SaaS solutions firm focused on hospitality business through flagship product [Hotelogix](#)).

IndiaHomes Services Pvt Ltd (formerly Agni Property Services Pvt Ltd) is another firm in the property marketing services space which recently got funding. The company [raised \\$4 million](#) from existing backers Helion Venture Capital and Foundation Capital in its second round of funding and would be eyeing another round of \$6 million within a year.

IndiaHomes had raised \$12 million from Foundation Capital and Helion who had invested \$6 million each for a minority stake two years ago. IndiaHomes aims to hit a gross transaction value of Rs 1,000 crore in 2012 and Rs 3,500 crore in 2013, which means PropTiger already has a lead with a lower amount of funding.

Investors Clinic is another large player in this business. Last October, Bennett, Coleman & Co. Ltd (BCCL) [acquired an undisclosed stake](#) in an ad-for-equity deal with the Noida-based firm. The company is also looking to raise \$15 million in another round of funding.

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