

How investors can get ahead by bringing tech to the table

Strategy

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When we looked for a software platform to run investment deals we couldn't find one so we built our own, writes **Kanav Kalia**, director of alternative investment house **Oxane Partners**.

The real estate investment industry's tryst with technology has been limited to standalone systems for stop-gap measures without regard for interoperability or scalability.

Investment firms still have an over reliance on the age-old alternative, Microsoft Excel. The comfort of spreadsheets, fear of the unknown and 'change-inertia' often keep them away from technology solutions.

We've seen both ends of the spectrum – new fund launches that want to get their technology foundation set-up right-away and large institutional firms managing multi-billion euros in real estate still relying on an archaic Excel-based system.

Oxane Partners is a technology-driven solutions provider to the alternative investments industry with a focus on real estate.

Oxane Partners was founded in 2013 by former Deutsche Bank credit traders, Sumit Gupta and Vishal Soni. The aim was to solve the challenges faced by real estate investment firms with technology that's purpose-built to address the uniqueness of different asset types, deal types, strategies and jurisdictions. Headquartered in London, the firm has grown to manage over €25bn of assets across 10 jurisdictions since launching its real estate technology platform, Oxane CREST.

The key is to not just focus on operational efficiencies and cost savings but on what matters most to investment managers; unlocking more value from their positions and helping them better manage their risks.

When the Catalanian referendum was announced, one of our clients was able to accurately measure their exposure within minutes since the data foundation and technology were already there. In another instance, when Toys R Us declared bankruptcy, the manager could understand the overall credit risk in their portfolio effortlessly. Technology can turn such triggers into opportunities and accelerate decision making with real-time availability of up-to-date information.

Where does one start on what might seem like an overwhelmingly complex initiative? Three areas:

1. A robust data foundation, structured, searchable, shared
2. Capturing data by digitisation at source, from building managers upwards
3. Bringing all stakeholders on a single platform

These are the key ingredients of success.

Once these are in place, layering up powerful functionalities like automation, AI and mobility is pretty easy.

There are clear signs that real estate investment management technology is driving the industry forward. We're seeing the evolution of small balance commercial lending, up to €10m, in real estate being driven by technology. In small balance trades while the underlying screening, underwriting and closing processes are as complex as with a large loan, it is extremely onerous to process 10x the number of deals in a timely fashion. Technology has been a perfect enabler in such cases. Those leveraging technology witness a growth in assets under management of 25% or more year-on-year and apply better risk controls without really increasing their team.

In today's tech-enabled world, it's not the one with the deepest pockets that wins, but the one with better control over their data. Data running on the right technology is creating a new competitive-edge.
