

Tackling emissions caused by the built environment, a profile of A/O Proptech

With #QVCS, Maddyness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Arjun Jairaj, Investor at A/O Proptech.

Greg Dewerpe founded *A/O PropTech* in 2019. Before this he had been advising on large commercial real estate transactions and was struck by how siloed operations and lack of digitisation across Real Estate was causing problems for the sector and the wider world.

I'd been working in the real estate world in India, with a Blackstone-owned company that managed shopping centres where I was exposed first hand to the growing awareness and serious commitment to ESG across global corporates. My brief experience in institutional real estate management, coupled with a previous background with transactions and management of early stage technology businesses, convinced me that data and digital solutions held the key to addressing existential challenges such as sustainability and climate adaptation within the built environment.

I realised that A/O and I were thinking along the same lines and I joined the firm shortly after. After launching our first fund in 2020, we have invested in 24 companies from seed to Series B, across two continents to pave the way for wider technology and ESG adoption across the built world.

Which industries are you working in?

A/O invests across the built environment including the design, construction, transactions, and lifecycle operations of buildings and infrastructure assets. Real estate and construction are the biggest source of Green House Gas emissions and are among the least digitised industries globally. By investing in the digitisation of this industry, we believe we can make a big difference to the future of the planet.

Our focus is on decarbonising the built environment but we have other important investing themes including access to housing (affordability), climate adaptation and resilience.

Because we focus on technologies targeting both existing assets and new construction (of which no two are the same), our team combines real estate expertise, data science capabilities, and experience with complex financial structuring. The successful transformation of the built world will require significant investment in both digital and physical asset transformation, on a massive scale.

What do you look for in a founder?

The epic scale and dizzying complexity of our industry can make tackling the sustainability of the built environment seem like an insurmountable problem. Taking it on requires a special kind of founder. These are individuals and teams who are mission driven and led by purpose. They understand that there is no silver bullet to the problems we are trying to solve, and welcome the challenge. Technical ability and prior experience are great things, but we also look for qualities that will help founders keep going when things are tough: humility, passion, a willingness to be open and collaborative.

Can you talk about your current portfolio?

Of course, it's my favourite subject! We have 24 companies across North America and Europe targeting the lifecycle of real assets from pre-construction through management and operation. Some of our recent investments include:

Plentific – Plentific is transforming property management by providing landlords with a single platform and marketplace to source and manage a network of contractors and service providers, from repairs to compliance.

SatelliteVu – Satellite Vu is building a small satellite constellation with a pioneering high resolution thermal infrared sensor. Once fully deployed, the company will provide 3.5 metre resolution images with multiple daily revisits, helping to monitor buildings for thermal efficiency and economic data.

ClimateX – Climate-X is a B2B climate risk analytics platform delivering location specific risk ratings and loss estimates for extreme weather events linked to climate change. The company is focused on a B2B and API first customer channel in which they primarily serve banks and insurance companies.

How has COVID-19 changed the way you operate?

Lockdown and travel restrictions meant that we had to find other means of building and maintaining close and strong relationships with founders, stakeholders and the wider ecosystem. It has brought benefits – for instance our due diligence process became much more efficient as a result. The pandemic has been difficult for property owners though – because the office is no longer a desirable asset that only goes up in value.

City centres have changed as a result of the pandemic. Changing space utilisation trends are pushing real estate owners to look at serving new markets and repurposing/repositioning their space. This has given rise to a broader set of adjacent opportunities. We have looked at other ways of using city centre space including decentralised data centres, EV fleet management, self-storage and last mile warehousing, flex spaces and serviced residential communities, among others.

Long-term the trend globally is towards increasing urbanisation and there is a critical need to address the carbon footprint of urban environments. The potential to turn these into carbon sinks is part of A/O's core thesis.

What does the future look like?

The last few years have been difficult for many because of unprecedented events like the Covid19 pandemic and the conflict between Russia and Ukraine. However, we're extremely positive about the future not least because there is renewed focus on solving climate issues. In turn, this is accelerating and amplifying the case for many built world transformation businesses and on a global level, we are seeing stakeholder pressure mounting on real estate to

address its ESG impact.

We are particularly excited by opportunities around the architectural design process and BIM.

New generative design platforms are enabling architects to design with real time pricing, emissions and other material related data from the outset of the design phase. Automation and precision in design will enable greater constructability of BIM models leading to reduced wastage, improved construction efficiency, and more rapid adoption of new sustainable building materials and modern methods of construction (MMC).

The other perennial focus in the sector is on building electrification and scalable solutions to decarbonise existing buildings. Growing urbanisation means that cities around the world are building a lot but half of total emissions from the built world will come from the day to day running of existing buildings by 2035. This is why we urgently need to decarbonise our existing built environment.

What makes A/O Proptech different?

We're proud of having a team from diverse professional and cultural backgrounds. What's more important though is that everyone has a voice at the table and is passionate about the need to tackle the emissions caused by the built environment.

What one piece of advice would you give founders?

Now more than ever, do not be afraid to leverage the expertise you have access to and ask for help. VCs aren't just sources of investment - they have vast experience and knowledge and can act as a great sounding board. At A/O, we assess hundreds of companies each year, we have complimentary specialisms and between us have experienced a lot. We will do anything we can to help our portfolio companies to thrive and succeed, so we'd much rather them come to us for help or our opinion than to try and go it alone.

Arjun Jairaj is an Investor at [*A/O Proptech*](#)

