

How Online CRE Investment Platforms Have Unlocked a New Source of Capital

In the most recent AmTrust Title webinar, [How Online CRE Investment Platforms Have Unlocked a New Source of Capital](#), our panel of speakers discussed how online investment platforms got started and shared why today's largest Commercial Real Estate (CRE) firms are turning to this new source of capital. The moderator for the webinar was Brent Heiggelke, CMO of [Crowdstreet](#), an online investing platform for commercial real estate crowdfunding. The panelists were Scott Barone, Founder and Principal of [Barone Management](#), LLC, Ryan Tobias, Partner at [Jackson Dearborn Partners](#) and Ilya Gamer, Managing Director at Crowdstreet.

Getting Started on Online CRE Investment Platforms

The webinar kicked off with a brief history of crowdfunding. Many investors used to have the fundamental approach to raising outside money for business via their friends and family. Then, the [2012-2013 JOBS Act](#) opened up the process, allowing companies to get funding through online portals and non-accredited investors. Today, crowdfunding is a common word in our vocabulary.

Brett asked the panelists what their businesses were doing before crowdfunding and how they got to where they are today by using the Crowdstreet platform. Ilya Gamer explained that using the Crowdstreet platform is a must-have source of capital.

In the early years of the CRE platforms, investors would raise \$120 million in one year. But now, with Crowdstreet, they are raising more than that, every month. Scott Barone shared that their challenges stemmed from getting lenders on board because they didn't have specific experiences with using the platform. But, once people who weren't familiar with using Crowdstreet tested it out, they wanted to use it every time. Interestingly, everyone using the platform goes through the same process, regardless of name, presence, years in business, etc.

Ryan Tobias shared, "Crowdstreet's huge network of investors was compelling and became very successful. The first time we raised all our equity in 27 minutes, the investments came in fast. During the pandemic, we raised the equity in three minutes."

The Digital Age: Crowdfunding's Growing Popularity

Another critical question Brent posed to the panelists was about the digital age and how many businesses are cutting-edge in building their brands with crowdfunding. During the pandemic, institutions sat on the sidelines when it came to investing. But retail investors jumped all-in, even small businesses and mom-and-pop shops. Investors who were stuck at home started researching and investing in crowdfunding opportunities. As they invested more, people started feeling more comfortable about crowdfunding on CRE investment platforms because there is a tangible asset.

The Future of Crowdfunding

What does the panelist think about the future of crowdfunding and using the CRE investment platforms? Scott shared that Crowdstreet is a powerful tool, and the industry will have exponential growth. "More people know what crowdfunding is, and they want to know about the investments and



projects.” Ilya Gamer spoke about having conversations with potential investors that are more straightforward as more people understand crowdfunding. She also sees the growth opportunities with millennials. “We are in our peak earning years as millennials want to invest through their phones, tablets, computers and other digital devices.”

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To learn more about crowdfunding and Crowdstreet, you can listen to the webinar in its entirety on a [podcast](#) or watch the webinar on [YouTube](#).

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