

What is REaaS & Why you Should Care About it

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Foreword

Under-explained and poorly understood, the concept of Real Estate as a service needs much clarification.

That is exactly the aim of this e-book: to introduce you to what Space as a Service means, how it gives way to Real Estate as a Service, why this concept works, and how your business can adapt to it and monetize it in the time to come.

Agenda

1. What is REaaS?
2. The origin of REaaS
3. How REaaS works with consumers
4. The impact of SpaaS on Service Providers
5. Monetizing the REaaS business model effectively

What is REaaS?

REaaS, or Real Estate as a Service, is a new business model inspired by the broader trend of Space as a Service, but sometimes these words are confused or even used interchangeably.

The difference between them is simple: Space as a Service is the concept, while Real Estate as a service is its application. SpaaS became a popular term following the understanding of how the last decade's innovations in real estate as a whole were all a service based model instead of a product.

Space, or by extension Real Estate, has come to be marketed as a service rather than a commodity. What does that mean? The consumer is buying an experience associated with a space, and not merely the space.

The origins

Born out of the rental industry in some measures, SpaaS has impacted every asset class within real estate already.

Coworking spaces were perhaps the very beginning as they came up about a decade ago, but now communal living with its many unique business models is a fairly common example which is doing far better in some geographies.

The SpaaS business model is especially profitable for the hospitality industry which now houses travellers and not tourists.

The origins

As adventurers set out to explore lands at their own pace, recognising cultural emblems like food, traditions, and society, their accommodation needs evolve to give them enough room to do this safely and comfortably.

The broader picture is the changed mindset of the consumer that needs space, no more as a product where they can sleep or eat or work, but a service which is packed with comfortable amenities, tech-charged solutions on the go, and ease of adaptability.

This change reflects in the way real estate marketing works, no more selling spaces by the size but by the associated benefits and ease of living they offer.

How REaaS works for consumers

Consumers don't care for the lingo, the industry or its facets, or how the SpaaS revenue model works. It appeals to them emotionally. It offers comforts of the modern day, all inclusive in one price, taking away the hassles of arranging all that they require on a day to day basis.

It gives them more freedom to live the way they like, with no questions on their lifestyle, as this system is tailored to their liking anyway.

How REaaS works for consumers

The world moving out and about right now is living a fast paced life with few commitments and more time for exploration. As a generation, their goals have evolved to not buy property at the first place they like the look and feel of, but try it out, or maybe just stick around until they find something more enjoyable that speaks to them on a deeper level.

SpaaS to them is a service of innovation: they want the best for themselves and they want it right now, as if it were a pair of Nikes. So it is obvious that as an industry, we will evolve to cater to their needs.

The impact of SpaaS on service providers

We as an industry are no more sellers. We are not selling spaces, or even just renting them out. We are now service providers who cater to the nature of services our clients want most.

This shift is important for our industry ideologically, because previous real estate business models are in line to go obsolete. If you refuse to change your business model, those who do change it will reap the benefits and take over your market share.

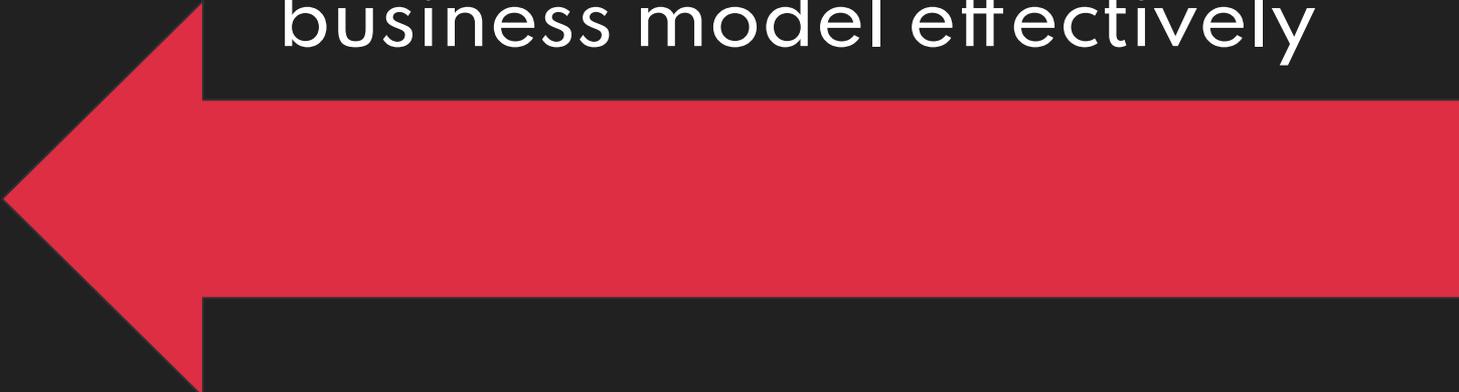
The impact of SpaaS on service providers

Who bears the brunt of an economic downturn, what happens if a business crashes, how do we evolve as much needed regulations are put into place? These raging questions still await answers.

However, the bottom line remains that this is the most preferred form of renting spaces for tenants even if providers are unclear on how to resolve issues. Our best advice in this case? Be the torchbearer and set a benchmark for your brand while the time is ripe to be the pioneer.

That said, the negative impact of what this new Real Estate as a Service business model is hard to understand. As we recently fought a pandemic as a global community, social and physical distancing jeopardised niche asset classes within the business.

Monetizing the REaaS business model effectively



As always, we expect new businesses led by visionaries to sweep in to address the pain points of the industry, but the trust that comes with a pre-existing brand pivoting to provide better value to its customers is unique.

To adopt this business model, leaders need much research and analysis. It is imperative to list the many things that could go wrong with this initiative given the present nature of business. These need to be worked on, and back-ups need to be in place.

Monetizing the REaaS business model effectively

When you decide to take this leap, you will need to address many concerns, how do you raise funding for such a unique and fresh idea? And how do you introduce your customers to technological advancements within your operations so you can keep them for as long as possible?

Further, how to even make this transition realistically? What would it mean for you to streamline your operations as you delve into facility management within the REaaS model? And if you're a real estate developer or a homeowner renting property, how can you make this shift in the first place?

All of these questions, and many more, will be answered by our experts from around the world at The Monk Realty Summit. Save the date, and send in questions and queries so we can make sure you get the answers you want.

[Sign up for The Monk Realty Summit 2020:
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