

European PropTech market

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Interviewees

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Marketplaces market concentration

Question:

Are property portals more consolidated than other PropTech segments, and how does the UK market compare to other European markets?

Answer:

Property portals are typically more consolidated than other PropTech segments because they benefit from strong two-sided network effects. Buyers and tenants want to search where the largest number of properties are listed, while agents and landlords want to list where the largest audience is available. This dynamic creates a reinforcing flywheel that tends to concentrate activity around a small number of leading platforms.

In the UK, the portal market is concentrated around three main players. Rightmove is the dominant player, followed by Zoopla as a distant second and OnTheMarket as a smaller third player. Rightmove is used by the vast majority of UK estate agents and captures the majority of buyer and tenant attention. Zoopla remains a meaningful secondary platform, and OnTheMarket has more limited market influence following its acquisition by CoStar.

The same structure appears directionally consistent with other European markets, where individual countries tend to have dominant national platforms such as Idealista in Spain and Funda in the Netherlands. However, property portals remain highly localised, and there is no obvious pan-European leader with the same strength across multiple national markets.

Revenue models for marketplaces

Question:

How do property portals generate revenue?

Answer:

Property portals primarily generate revenue through subscription fees paid by estate agents. In the UK, portals are fundamentally B2B platforms, as individual sellers or landlords generally cannot list directly; listings are typically uploaded by estate agents.

Portals often offer different subscription packages, such as basic and premium tiers, as well as additional paid features including promoted listings, premium placement and enhanced visibility tools.

Advertising is another revenue stream. Portals can also generate ancillary referral income by directing users to other players in the property ecosystem, such as mortgage brokers, insurers or utilities providers. However, dominant portals can face resistance from estate agents when trying to expand too aggressively into adjacent revenue pools, as agents may already feel heavily dependent on the portal for lead generation.

International expansion and barriers to entry

Question:

Why is it difficult for national property portals to become pan-European leaders?

Answer:

The key barrier to pan-European expansion is incumbency. To succeed, a portal needs both property supply and consumer demand. It needs estate agents to list properties and enough buyer or tenant traffic to make those listings valuable. Once a local incumbent has already captured both sides of the market, it becomes very difficult for a new entrant to offer a superior proposition.

The underlying digital capabilities are transferable across countries, including product design, user interface, marketing and platform technology. However, the local network effect is not easily transferable. A portal entering a new country without listings cannot attract users, while agents have limited incentive to list on a platform without users.

As a result, M&A is likely the most realistic route for cross-border expansion. A platform or financial sponsor seeking international scale would likely need to acquire established national players rather than build from scratch.

Ancillary-services marketplaces

Question:

How do ancillary-services marketplaces work, and what is the revenue model?

Answer:

Ancillary-services marketplaces monetise access to buyers, sellers, landlords and tenants during the property transaction or moving journey. At this point, customers need to procure several services, including legal support, mortgages, removals, broadband, utilities, insurance and other home-related products.

The most successful UK model often begins through the estate agency relationship. For example, Goodlord provides tenant referencing services, checking identity, right to rent, income, credit history and other compliance-related information. This creates a direct relationship with the tenant, who has already entered personal information into the platform.

Once the platform has that data and knows where the tenant is in the moving journey, it can offer relevant products and services at the right time. For example, it may propose insurance, utilities or broadband close to move-in. This is more targeted than broad marketing because the platform knows the customer is actively moving and can time the offer accordingly.

Revenue comes from two sources. First, the platform charges fees for core services such as tenant referencing, usually paid by the agent or recharged elsewhere in the value chain. Second, the platform earns referral or commission income from third-party providers when it sells insurance, utilities, broadband or other products. A portion of this commission may be shared back with the original estate agent

Direct-to-consumer moving marketplaces

Question:

Is there an alternative model where the platform goes directly to the mover rather than through the estate agent?

Answer:

A second model involves going directly to the consumer and positioning the platform as the central hub for the moving journey. Platforms such as JustMoveIn aim to help movers organise the services they need by providing a curated set of relevant products and suppliers.

This model is less dependent on the estate agency relationship than platforms that start from tenant referencing or agency workflow. Instead, it attempts to win the consumer relationship directly by making the moving process easier and reducing the friction involved in comparing and selecting suppliers.

The revenue logic is still based on referral or commission income from third-party providers, but the platform's distribution model is more consumer-led than agency-led.

Hybrid agencies and low-cost sales models

Question:

How should hybrid agencies be understood, and how do they differ from traditional estate agencies?

Answer:

In the UK, hybrid agencies are not best understood as platforms providing valuation tools or transaction support on top of portals. Rather, the early hybrid agency model was essentially a lower-cost alternative to traditional estate agency, with a different pricing and operating model.

Purplebricks was the best-known example. Its core service was functionally similar to a traditional estate agent: listing properties on portals such as Rightmove and Zoopla, fielding inquiries, organising viewings and supporting the sales process. The main difference was that Purplebricks charged a fixed fee rather than a traditional success-based commission of around 1.5% of the sale price.

The model was supported by a lower cost base, as agents did not operate through traditional high-street branches. This allowed the company to offer cheaper pricing, with additional services unbundled and

sold separately. However, the fee was not contingent on a successful sale, meaning customers paid even if the property did not sell.

While the model was initially perceived as highly disruptive, it struggled to achieve consistent profitability. International expansion proved difficult, and the business was not able to decouple marketing costs from transaction volume. As it scaled, agent quality also became harder to sustain because the most attractive territories were captured early, reducing the upside for new agents joining the platform.

Alternative Hybrid Agencies operating models

Question:

Is there a more successful hybrid or digital agency model in the lettings market?

Answer:

OpenRent was highlighted as a more successful UK model, focused entirely on lettings rather than property sales. It is closer to a technology platform than a people-heavy hybrid agency, as it allows landlords to select from a menu of low-cost services.

The basic proposition is to help landlords list rental properties online. A landlord can pay for the property to be listed on major portals such as Rightmove, while handling inquiries, viewings and tenant communication directly. Additional services can then be purchased as bolt-ons, including legal documentation, energy performance assessments, rent collection and other lettings-related services.

The pricing difference versus a traditional agency can be significant. A landlord using OpenRent may pay only a few hundred pounds for a bundle of services, whereas a traditional letting agency might charge a percentage of rent over the duration of the tenancy. For tenants staying several years, the price gap can become very large.

OpenRent is particularly attractive for landlords who are tech-savvy, have time to manage the process, live near the property and understand basic lettings administration. However, landlords who are time-poor, live far from the property or want a full-service offering are still more likely to use a traditional agency.

Customer adoption and barriers to hybrid agencies models

Question:

What limits adoption of digital or hybrid agency models among landlords and property owners?

Answer:

Adoption of digital and hybrid agency models depends strongly on landlord profile. Many landlords still

value the support, trust and convenience of a traditional agency, especially where the property owner is older, time-poor or located far from the property.

For landlords, the core objectives are to find a tenant, monetise the property effectively and ensure that the property is managed properly. Different landlords will judge the best way to achieve these objectives differently. Those who are comfortable managing communication, viewings, maintenance and documentation may see strong value in low-cost platforms. Those who want a full-service solution may continue to prefer traditional agencies.

The rate of adoption may increase as digital lettings platforms gain social proof. Historically, using a low-cost platform may have felt unusual or risky; today, it is increasingly seen as a legitimate option. However, digital models are unlikely to replace traditional agencies entirely, as the need for human support and property management remains significant for many customers.

iBuying, liquidity providers and Build-to-Rent

Question:

How attractive is the iBuying / liquidity provider model, and are there adjacent models worth considering?

Answer:

The expert was sceptical about the scalability of the iBuying or liquidity provider model. The UK housing market is relatively efficient, meaning there are not many clearly underpriced properties available at scale. Transaction costs are also material, including stamp duty and other costs associated with buying and selling property.

As a result, generating attractive cash-on-cash returns is difficult unless the property is acquired at a meaningful discount. Small-scale activity exists, such as individuals buying properties at auction, renovating them and selling them on, but this is generally opportunistic and fragmented rather than an institutionalised large-scale PropTech model.

Build-to-Rent was highlighted as a more relevant adjacent model in the UK. In this model, large investors work with developers and often local authorities to build housing stock specifically designed for rental. Operators may include owner-builder-operators such as Greystar, Ranger or Quintain, while more passive capital providers such as Legal & General can provide capital and receive yield from the asset base.

Although Build-to-Rent is only partly PropTech, as the underlying activity remains property development and ownership, it is often tech-enabled operationally and responds to the shortage of high-quality rental stock in the UK

Investor appetite and market tailwinds

Question:

What makes PropTech attractive to investors despite property market cyclicality?

Answer:

PropTech can appear less attractive at first glance because property markets are cyclical and exposed to macroeconomic factors such as interest rates, consumer confidence and transaction volumes. However, investor interest remains strong because many PropTech business models are exposed to large, under-digitised markets with significant scope for operational improvement.

A key attraction is the rental market. Unlike sales-led models, which depend on transaction flow, the lettings market is monetised on stock. This creates a more resilient revenue profile because recurring rental relationships and property management activity continue even when sales volumes slow.

The broader property ecosystem also remains relatively old-school and analogue in many areas. There is meaningful opportunity to improve back-end workflows, customer journeys, lead conversion and ancillary monetisation through technology. From an adoption perspective, the market is still relatively early on the S-curve, leaving room for platforms to use technology to drive differentiated financial performance.

AI and technology enabled efficiency

Question:

How could AI affect PropTech business models and the competitive landscape?

Answer:

AI is expected to improve efficiency across several parts of the property transaction workflow. Many current processes remain manual, including lead handling, CRM entry, follow-up calls, email communication, viewing bookings and post-inquiry nurture journeys. These activities can be automated or at least significantly supported by AI-enabled tooling.

However, AI is unlikely to remove the need for human interaction. Buying, selling or renting a property involves major financial and personal decisions, and the in-person relationship with agents remains important. Activities such as viewings, negotiation and trust-building are likely to remain human-led.

AI may also affect the competitive landscape. Historically, the UK estate agency market has been highly fragmented because both small and large agents could compete on relatively equal terms. Portals such as Rightmove and Zoopla level the playing field by giving small agencies access to the same property visibility as large chains.

If sophisticated AI tools mainly benefit larger operators, this could gradually shift the balance of competition. Larger players may use AI to improve back-end efficiency, reduce costs, respond faster to leads, improve customer matching and run more effective nurture journeys. Over time, this could drive

incremental organic consolidation. However, this effect would be weaker if high-quality AI tools become cheaply and widely available to the long tail of smaller agencies.

Market headwinds and regulatory pressure

Question:

What are the main headwinds for the PropTech market?

Answer:

The UK and European property market are facing several headwinds, many of which are also relevant in other European markets. Regulatory change is one of the most important. In the UK, the Renters' Rights Bill is expected to disrupt how the rental market functions, creating both risks and opportunities for operators.

Transaction volumes are also under pressure. Sales volumes are cyclical and have been affected by macroeconomic uncertainty and higher interest rates. Rental market volumes may also be constrained by policies that make it less attractive for landlords to rent out properties, including higher taxes, squeezed economics and greater regulation.

These dynamics can indirectly affect PropTech players. If estate agents and landlords have lower confidence in their trading outlook, lower profitability or fewer transactions, they may become less willing to trial new products, adopt new technologies or expand spending on software and services.

Portals are also exposed, although their subscription-led revenue model may be more resilient than transaction-based models. Lower market activity can still constrain revenue levers such as new subscriptions, premium listings, advertising and referral income.