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Title

Digital Competitive Advantage in Real Estate: Evidence from the Italian PropTech Ecosystem

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Abstract

The rapid digitalization of the built environment has given rise to PropTech firms, which are reshaping how real estate assets are developed, transacted, and managed. Despite growing attention to the PropTech ecosystem, limited empirical evidence exists regarding whether these firms demonstrate a measurable competitive advantage over traditional companies operating within the same sectors. This study addresses this gap by taking the Italian real estate and construction market as a proxy and evaluating whether digital orientation translates into superior economic performance.

Using a dataset of 326 PropTech firms identified through collaboration with the Italian PropTech Network and enriched via keyword-based ecosystem mapping, this research constructs a matched control group of 326 non-PropTech firms operating in the same NACE sectors and regions. Financial and structural data were collected for the period 2018–2024. The comparative analysis focuses on six key indicators: number of employees, revenues, profit/loss, added value, intangible assets, and total assets.

The findings indicate that PropTech firms generally outperform traditional counterparts in revenues, added value, and intangible asset intensity, particularly within knowledge-intensive and service-oriented sectors. Profitability is frequently higher among PropTech firms, although the advantage is not uniform across all industries. In contrast, traditional firms maintain stronger performance in capital-intensive sectors and report higher total asset levels. These results suggest that digital orientation is associated with distinct economic configurations, but its competitive implications are contingent upon sectoral structure and capital intensity.

By providing sector-matched, firm-level evidence, this study contributes to the literature on innovation and real estate transformation, offering a nuanced interpretation of digital competitiveness in the built environment. The findings highlight that PropTech's advantage lies not merely in technology adoption, but in its alignment with knowledge-based value creation models, organizational flexibility, and intangible capital investment.