Palestine's Secret Startup

Investors who use Mashvisor to look for real estate opportunities in the U.S. may be surprised to learn that the service is Palestinian. Somehow, founder Peter Abualzolof managed to pull off that feat.

The strategy seems to be working. Articles in The Wall Street Journal and The Boston Globe mention Mashvisor, but neither reveals that it is in Ramallah. "We're just a bunch of guys working in the West Bank, but really we're no different than a Silicon Valley startup," says Abualzolof. It's hard to discriminate against good technology.

Mashvisor got early support from Ibtikar Fund, which invested $200,000 last year. This past November, it got another boost. It became the first Palestinian company accepted into the prestigious 500 Startups accelerator program, which invested $150,000. Abualzolof spent four months in San Francisco, where he received invaluable guidance—from marketing to introductions to Silicon Valley's VC network. Mashvisor graduated in February, and Abualzolof will head back to Ramallah.

When he was eight, his parents moved the family to California in 1996. They continued visiting Palestine every couple of years until 2000, when the second Intifada broke out.

In 2010, Abualzolof earned a B.A. in finance from the University of San Diego. He moved to San Francisco two years later to work at a marketing firm. Earning a comfortable salary, he started investing in real estate.
The market was still reeling from the crash; it was a good time to invest. Although he was frustrated by how time-consuming and complicated researching the market was, the idea of starting a company didn't surface right away.

After a 10-day trip to his hometown of Beit Sahour in 2013, he quit his job and bought a one-way ticket. His parents, who still live in California, were appalled. In Ramallah, Abualzolof landed a job as a project manager at FastForward, a startup accelerator, and settled into the community.

In late 2013, he attended Startup Weekend Ramallah, a weekend-long contest where teams compete to develop innovative business ideas. Abualzolof's team pitched the idea of a tool that analyzes the performance of Airbnb properties. It took home second place and prompted a minor epiphany: he could tackle the problem he encountered when searching for investments in the U.S.

A friend introduced Abualzolof to Mohammed Jebrini, a software developer, who was receptive to the plan. Abualzolof quit his job at FastForward, while Jebrini helped with programming.

There were a few cultural issues. Abualzolof had to explain to Jebrini the concept of ZIP codes—non-existent in Palestine, so he could include them in the search function. Handling big data was a much bigger issue. Jebrini had to develop a solid platform that would not

compromise user experience. "Data is not the easiest thing to handle, especially if there's a lot of it," says Abualzolof.

For the first eight months, Mashvisor was free. In addition to attracting users, the startup wanted feedback on what worked and what didn't.

In the fall of 2015, Abualzolof pitched Mashvisor to 500 Startups' Dave McClure while he was visiting Ramallah. McClure told him that Mashvisor needed to show revenue for 500 Startups to consider investing. Abualzolof introduced paid subscriptions, attracting more 24-to-34 year-olds than older and perhaps more deep-pocketed investors. As a result, he's considering introducing an enterprise version for real estate firms.

Still, Mashvisor was generating revenue by June 2016. Abualzolof took a screenshot of its income statement and emailed it to Hasan Haider, 500 Startups' venture partner in the Middle East. "I was like, 'do we meet your qualifications now?'" quips Abualzolof. They did. Haider gave Abualzolof a choice: Mashvisor could either take an investment larger than $150,000 from 500 Startups, or join its acceleration program in Silicon Valley.

Abualzolof opted to join the program. "We saw the value of the mentors, the network," he says. "That really was more important for us than money." He learned how to take advantage of Facebook advertising, running in December ad campaigns, which led to an uptick in revenue.

He admits it's not easy to run a startup in Palestine. Abualzolof prefers not to comment on how the political situation in the occupied West Bank affects his business, but he acknowledges it's difficult to access capital, mentorship, and talent. "The brain drain here is a huge issue," he says. "We haven't used that excuse to limit ourselves. We feel we can build a Silicon Valley startup in Palestine with no problem."

People like Abualzolof are Palestine's biggest asset.

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