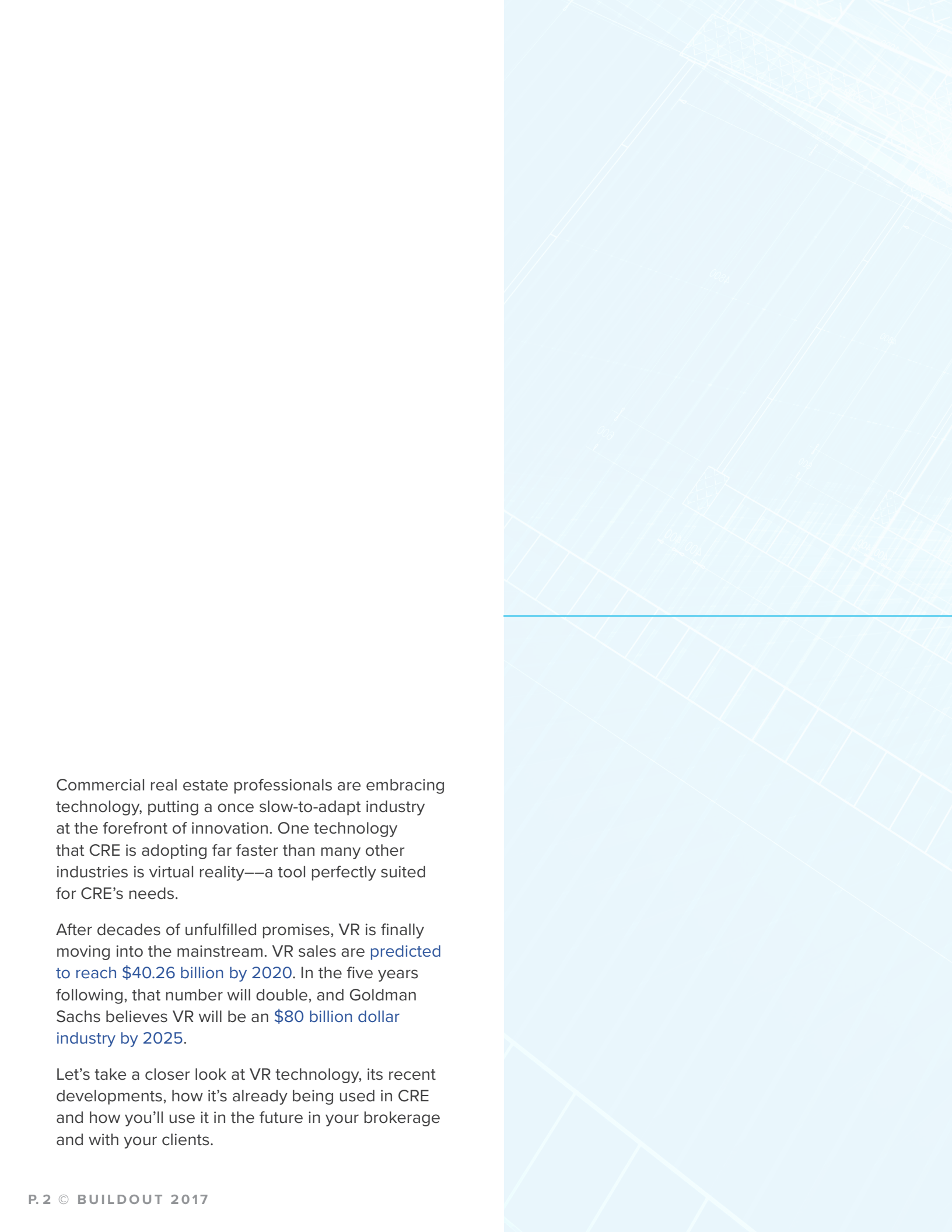




RESOURCE

Virtual reality for CRE:

revolutionizing the
buying, selling and
consuming experience



Commercial real estate professionals are embracing technology, putting a once slow-to-adapt industry at the forefront of innovation. One technology that CRE is adopting far faster than many other industries is virtual reality—a tool perfectly suited for CRE’s needs.

After decades of unfulfilled promises, VR is finally moving into the mainstream. VR sales are [predicted to reach \\$40.26 billion by 2020](#). In the five years following, that number will double, and Goldman Sachs believes VR will be an [\\$80 billion dollar industry by 2025](#).

Let’s take a closer look at VR technology, its recent developments, how it’s already being used in CRE and how you’ll use it in the future in your brokerage and with your clients.



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2025

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What **virtual reality** is and what it isn't

Virtual reality is, at its essence, a computer trying to trick your brain into [thinking you're looking at something real](#). To make virtual experiences as realistic as possible, the creators of VR tools are aiming for [total immersion](#). When visuals displayed through headsets or screens are combined with audio and other sensory cues, it enhances the VR experience. Multi-sensory immersion has the potential to make a user completely forget his or her actual physical surroundings, blurring the line between the real world and the virtual.

With the introduction of [dozens of new games](#) with virtual reality options, VR is already hot in the video game market. And it makes sense that the gaming industry would be the first to adopt VR, but you can do more with VR today than play video games.

Facebook was in the news in 2014 when they bought VR company Oculus, but industry pundits were left speculating for quite awhile about the social network's intentions for the technology. This year, Facebook finally announced they're using the Oculus platform to create a "[social VR](#)" experience: Facebook Spaces. In Spaces, a user has their own avatar and can interact in a virtual space with others' avatars. And in creating this platform, Facebook has taken VR tech away from purely presentation and toward actual participation for users.

The original Facebook gradually became a platform for businesses and advertising in addition to organic social interaction, so Spaces and other VR platforms have the potential to become tools for business as well.

While VR is still mostly in the entertainment domain, it can also be used for such utilitarian tasks as medical training, procedures and therapy. And as it gains traction for consumers, VR is also beginning to make waves in the CRE industry.

What's already happening with VR in CRE

Major commercial real estate brokerages like [JLL](#), [CBRE](#) and [Cushman & Wakefield](#) as well as property developers like [Lendlease](#) and [Capitaland in Asia](#) are already using VR to show properties to potential buyers and tenants. And even more brokerages are in the process of investing in and implementing VR solutions because their brokers are seeking tools that give them a competitive edge.

There are a variety of VR tools on the market for CRE professionals, but some of the most popular include:

- » [Matterport](#), which uses a 3-D camera to create lifelike digital renderings of spaces like dollhouse (3-D floor plan) views and walkthroughs.
- » [Realvision](#), which creates interactive virtual tours and dimensioned floor plans of properties with a DSLR camera.
- » [VirtualAPT](#), which employs robots to film and process realistic, full 360-degree walk-throughs of spaces in real-time.
- » [Floored](#), which allows CRE professionals to explore and share products in an immersive, interactive web-based video game-like experience.
- » [Virtual Xperience](#), which provides photo-realistic VR visualizations like traditional renderings, 360-degree videos and mobile walk-throughs.

But these tools are just the beginning for VR in the CRE industry.

What's coming for VR in CRE

Right now, the biggest hurdle to the widespread use of VR in CRE is the cost, but as more companies are developing and introducing their versions of the technology, that cost will go down. Then, VR will be everywhere for CRE professionals, their clients and their clients' tenants.



Example of VR technology's impact on CRE

With VR

Virtually meet with distant clients in a far more realistic manner than video conferencing

Impact

Close, personal relationships and personalized tours will be possible with anyone, anywhere

How you will use virtual reality

When you market properties, you won't just show photos and videos. You'll create a rendering of a finished space that is customized for your client's wants and needs that your clients can truly experience. As we noted already, you'll show more spaces in less time from your own office, your client's office or home or totally virtually.

And once tools like Facebook Spaces are perfected and commercialized, you'll be able to virtually meet with clients in a far more realistic manner than you can today with video conferencing tools, closing a divide between you and clients all over the world. An example of this could be a potential future integration of Facebook Spaces and a VR property tool like Matterport, wherein you could not only show a rendering of a space, but meet and discuss it like an in-person tour. Close, personal relationships and personalized tours will be possible with anyone, anywhere.

Beyond the world of CRE brokering and marketing, your clients and their tenants will take advantage of VR tools outside of the real estate buying process as well. It will be nearly as important for you to know how they're using VR in their work and lives as it will be for you to understand how to use it in yours.

How your clients and their tenants will use virtual reality and how it will change their demands

OFFICE

In office spaces equipped with VR, it will be possible to hold more personal meetings with individuals in other offices in far away locations, making awkward conference calls a thing of the past.

Working from home and working in the office will also become similar experiences once VR is more widely accessible. Because of this, office owners will need to optimize their spaces for human experience to keep employees from choosing not to make their commutes. More offices all over the world will [take a cue from Silicon Valley](#) and include fewer assigned workstations and more green spaces and café-like communal work areas that set working at the office apart from working at home.

MULTIFAMILY

VR will be an advantage for multifamily owners. When looking at apartments, prospective residents will be able to view a unit with their own furniture before making a more educated decision about where they want to live.

Because these VR tools are initially too expensive for most individual homeowners and agents, multifamily owners will likely be able to start using them first. This advantage, especially when coupled with smart home technology in multifamily buildings, could add fuel to the trend of people choosing to live in apartments versus owning homes.

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Office owners will need to optimize their spaces for human experience to keep employees from choosing not to make their commutes

Example of VR technology's impact on CRE

With VR

Customers will be able to test a product in its real-world setting before they buy

Impact

Retail clients will be looking for flexible VR experience spaces so customers can virtually test products

RETAIL

Tech developers are creating augmented and virtual reality tools to help shoppers visualize their homes with products like new furniture and appliances already installed. Using a photo of their own home, shoppers will be able to transpose products into the room where they want to put them. Or, imagine the customer is choosing sporting equipment or clothes for a specific event. Soon, with VR, they'll be able to test a product in its real-world setting and more accurately try before they buy.

In line with a retailer shift away from a focus on simply pushing product to experience marketing in stores, consumers will show preference to brick and mortar stores equipped with VR technology. Consumers will prefer stores with VR over e-commerce shopping because they'll be able to not only touch merchandise, but also visualize it in their homes or their day-to-day lives.

Your retail clients who sell items traditionally suited to large showrooms (like furniture and appliances) will be looking for retail spaces with smaller showrooms ready to be equipped with VR tools that let customers actually experience products in their homes instead of in the store. And items like sporting goods will require flexible VR experience spaces so customers can virtually swing a golf club, ride a snowboard, or kick a soccer ball to test products.


Make it your mission to understand not only how you can use VR in your selling process, but also how your clients will use it to grow their businesses and bottom lines.





It's undeniable that **the future is virtual**

Remember, you're not just a property seller. You're a trusted advisor to your clients. Be smart about how your clients will use virtual reality in their own spaces and guide them through their decisions. Stay up to date with VR technology news as it happens so you can be prepared for how VR will affect your clients' lives in addition to your own job. Subscribe to the Buildout blog.



Buildout is a marketing tool for the whole brokerage. It produces and publishes custom materials and streamlines the entire property listing process. With Buildout you can **manage and market** all of your CRE listings from one centralized place, saving you time to focus on more important things.