

Changing the Future of Real Estate with AR/VR Technology

Looking at how augmented and virtual reality transform business in real estate

White Paper



Changing the Future of Real Estate with Augmented Reality and Virtual Reality

Introduction

Augmented reality (AR) and virtual reality (VR) are finding their way into several industries. While you may think of them as only being applied to gaming, they are changing the real estate industry as we speak. These technologies bring a richer, more valuable experience to a variety of real estate transactions. Has your firm considered how AR and VR can increase your value and client count?

In this white paper we summarize:

- **The similarities and differences between augmented and virtual realities.** The first step to navigating these technologies is understanding the features, and limits, of each and how they work. This prevents confusion down the line.
- **The ways these technologies are affecting real estate.** Explore the ways in which these innovative features tie into the overall client experience.

What is Augmented Reality and Virtual Reality

Before understanding its applications to the real world, it is first important to understand what these technologies do, how they vary, and what their limitations are.

Augmented Reality (Less Tech)

Augmented reality uses accessible, everyday technology to enhance a user's experience of their surroundings. Think of AR as an additional, digital layer meant to enhance the real world. By viewing a physical location, like a street or a room, through a smartphone, tablet or other mobile device, items are enhanced or manipulated to provide a richer experience. While this is common in gaming and retail, it's also making its way into the real estate industry, amongst many others.

Augmented reality is accessible to anyone with a smartphone thanks to a variety of apps. Whether snapping a picture of a sign in a foreign language and having your phone translate it in real time or using AR to identify a building or other landmark, AR enhances our everyday experiences through engaging and immersive environments - often without us even realizing that we're using the technology.



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Virtual Reality

Virtual reality uses special hardware to create new surroundings for users. By placing a headset over one's eyes, users can be transported (visually) anywhere and allows them to enter an environment with the capabilities to experience a wide array of possibilities within the virtual space. This is useful in a multitude of fields, including education, medicine and of course real estate.

Though virtual reality is less accessible and often a bit more costly than augmented reality it is still an important technology, especially in today's real estate market. And with various technology companies competing to champion this technology, in the most recent years, it has become significantly easier to access certain virtual reality experiences.

Augmented & Virtual Reality in Real Estate

Here are the ways these technologies are shaping and changing the real estate landscape.

Augmented Reality

Augmented reality brings a tremendous amount of knowledge to the real estate world. Where pictures are vital to those beginning a search for property online, AR enhances this experience. View a residential or commercial property using AR and get additional information like the paint color or fixture brands, prices and materials. Design apps allow prospective buyers to alter the property by placing their own furniture and fixtures, changing colors and even moving or changing windows and other elements that simply can't be done during a usual walkthrough ([Follow Up Boss](#)).

Rather than staring at white walls and shiny wood floors, clients are offered a valuable look not simply at what is, but what could be. But it's not just about shopping for homes. Real estate developers, contractors and others can get a sense of pricing ([Deloitte](#)) - something vital to commercial real estate transactions. Viewing a space and understanding what it needs, then cycling through options in AR and seeing the costs can be the difference in hundreds of thousands of investment.

In today's flip-obsessed market, potential buyers can bring in an electrician, plumber or other specialized contractor and assess whether or not the home they envision is completely out of their budget or not. Augmented reality is more than aesthetic; it is a way to buy, sell and build smarter.



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Virtual Reality

While buying a property site unseen is ill-advised, scoping out international properties is expensive. Virtual reality helps by allowing prospective buyers to experience a property as much as possible through immersive technology. Seeing something in this way can help reduce a list of potential properties, saving a tremendous amount on travel costs and time.

Technological VR advances in the real estate industry such as 3D tours and guided and interactive visits, virtual staging of furniture, architectural virtualization and virtual commerce comparison help clients and firms save time and money, build emotional connections, offer a wider global reach, and also gives a sense of closure ([RubyGarage](#)).

VR goes far further, though, in the real estate market. Having this capability increases a firm's value by making home buying far more accessible:

- **Disabled buyers** can view a home without having to travel.
- These technologies are also helpful to **families with young children**.
- The other thing it does is send a message to millennials and other demographics who have taken to VR. A recent study by touchstone shows that **millennials and racial minorities** are most interested in virtual reality tech, allowing a firm to embrace a more diverse client.
- **Elderly clients** are 71% more likely to contact a realtor to start a home search ([Follow Up Boss](#)) and this experience is likely to be more attractive to them than trucking from home to home.

When buyers can see things more easily and sellers can create listings that are attractive and accessible to more people, everyone wins: including the savvy real estate firm that is taking advantage of these technologies.



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Where to Start?

These technologies are vastly different, and investing in tech is tricky, especially without the proper infrastructure. It can be just a giant waste of capital. We recommend starting with 360 photos and home tours and then adding AR to listings and in person experiences. From there, if clients are delighted, contract with an expert to develop a more robust enhanced reality experience that includes augmented and virtual reality.

Transform Your Real Estate Firm with CRA

CRA's team of professionals have been providing technology solutions to businesses for over 25 years. Our award-winning services are built around the specific needs of your firm's IT needs. Allow us to help build out an entire technology roadmap for your business while you stay up to date with the latest technology trends. [Call or email us](#) for a free evaluation today!



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