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WHATEVER YOUR INVESTING NICHE,
YOU CAN USE VR TO YOUR ADVANTAGE
LIKE COMMERCIAL REAL ESTATE
COMPANIES HAVE DONE.

by Rami Kalla

In the past, the commercial real estate industry has been regarded as a laggard in tech adoption. But when it comes to virtual reality (VR), it's game on.

In fact, commercial real estate as an industry has been a leader in embracing this increasingly popular technology, which is projected to have a market size of \$40.4 billion by the year 2020. VR has greatly enhanced sales and marketing and no doubt can influence many other areas of business as well.

Whatever your real estate niche, you can use VR to your advantage. So for those new to the concept, let's explore the basics.

WHAT IS VR?

Virtual reality is a 3-D computer environment with which people can interact by using specialized virtual reality equipment, including a VR-compatible computer, headset and, depending upon the VR system, hand controls. The virtual environment is presented to the user in such a way that our senses tell our brain that we are in an actual physical environment, giving virtual reality an immersive feel. There also are some VR headsets that not only activate the user's visual senses, but their auditory senses as well. This helps to create an even more engaging and complete virtual experience for the user.

Virtual reality is a great tool for experiencing things that you can't in real life, whether it's because of expense, danger or impracticality. Virtual reality is also an incredibly versatile technology because it can be customized to fit the needs of its users, making it valuable to almost every industry.

HOW REAL ESTATE INVESTORS BENEFIT

Virtual reality is particularly useful to commercial real estate investment companies. Part of VR's importance is its ability to motivate early sales. That being said, VR is best utilized in new builds.



Though a VR video will not replace a trained employee's explanation of a unit or property, it goes a long way in helping the potential tenant visualize the space's dimensions and finished look. Prospective tenants can engage with the project early on, drumming up interest in the property and generating more pre-sells. Before virtual reality, investment companies would mostly rely on blueprints and sketches to convey a building's potential. With virtual reality, a unit's space and depth can be pictured more easily. When potential tenants have a better idea about what the building will look like, they have a much easier time deciding if it is right for them, thus speeding up and simplifying the whole leasing process.

HOW TO MAKE VR MORE AFFORDABLE

Since the modern version of virtual reality is new and creating a VR video is a complex process, the price can be daunting. Thankfully, there are some tricks to getting your VR fix at a more affordable price.

First, create a virtual video for only a select number of units. In commercial real estate, many of the units are very similar, and an investment company will most likely be able to get away with showing off only a few units, while still making potential tenants feel like they have a firm grasp on what the building will look like. Along with that, when one VR video is created, only minor changes might be necessary to customize a video to a specific unit because of those unit similarities. By keeping the number of videos low and their complexity down, you can substantially reduce the cost of using VR as a real estate marketing tool.

It is also important to do your research and find a virtual reality firm that will work for you. Find one that understands your real estate needs and will give you exactly what you need, without selling you things that you aren't necessarily looking for. Once you decide on a firm, try negotiating a multi-project contract. Usually, a firm will charge a lower price per product in exchange for securing future business with a company. Another advantage to this is building a relationship with the virtual reality firm. These relationships are important when a real estate investment company is interested in

introducing virtual reality into its marketing. This will only add to a virtual reality project's success and could also lead to more savings in the future, should the company decide to stay with the same firm.

HOW TO FIND THE RIGHT VR FIRM FOR YOU

When thinking about hiring a VR firm, there are some key things for a real estate investment company to consider. First, make sure that you hire a firm skilled in applying virtual reality to the real estate industry. Those firms that are experienced in working with a specific industry will deliver more successful VR projects to their clients. Secondly, virtual reality is still new to many people and can be confusing if you're not familiar with it. To combat this, make sure that the VR firm you hire will guide you through the whole virtual reality process from start to finish, and will teach you everything you need to know about the video and virtual reality system. It is very important for a real estate investment company to be educated about the VR service it is providing to clients. If the leasing office is not properly trained on how to explain and show off the VR to potential tenants, the video's effectiveness will be significantly decreased.

At our studio, for instance, we guide our clients through the whole virtual reality journey. We also train the leasing staff on how to properly use the equipment. We will set up the virtual reality system, from the VR-compatible computer to the headset, in the leasing office. Then we will train the staff on how to use the machinery as well as how to create the most successful virtual reality experience for their potential tenants.

Whether you are actively looking for a VR company or have just started thinking about incorporating VR into your business, this new tech can be a great benefit for you and your clients. •



Rami Kalla is the founder of Point in Time Studios, a Phoenix, Arizona-based video production studio with a specialty in virtual reality. He has worked with the student housing and multi-housing industry since 2003. Rami has had the privilege of working with such brands as Asset Campus Housing, Ford, PetSmart, Coca-Cola, McDonalds and AOL. For more information about Rami and Point in Time Studios, please visit www.PointinTimeStudios.com.

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