





3D TOURS

Digital Tools
Keeping Brokers
in the Game

By Michael Hoban

Commercial real estate has only recently begun to embrace technology, but that change of heart may have come just in time to keep the pandemic from delivering a crippling blow to the industry. While the coronavirus has turned nearly every facet of everyday life on its head, brokers and landlords are utilizing digital solutions to keep things moving forward in this challenging environment.

“What I’ve been telling people through all of this is that if this (COVID) had happened five or even two years ago, nobody would have been able to conduct business the way we are now,” affirms Dan Palmeri, SIOR, a senior director specializing in tenant representation at Cushman & Wakefield in Las Vegas. “A big part of this is changing how we go about our day-to-day business to incorporate something new.”

What has made the difference is the willingness of the industry to swiftly adopt and deploy technology—largely out of necessity. Brokers are now applying a host of digital tools, including 3D virtual property tours, occupancy analytics platforms, floor planning apps, and digital communication channels like Microsoft Teams and Slack as well as other new and existing technologies to lease and sell properties.

“It wasn’t COVID, it was the shelter in place that disrupted the typical workflow, and so it required a

different technological stack in order to accommodate stuff that we weren’t doing before,” explains Grant Pruitt, SIOR, president and managing director of Dallas-based Whitebox Real Estate. “It disrupted prospecting, administrative work, touring spaces, and meeting and communicating with clients and prospects.”

The most essential proptech tool to emerge since the pandemic hit is undoubtedly the 3D virtual cameras and services offered by firms like Matterport, GeoCV, VPiX 360, and REscan. “Virtual tours with 360-degree cameras have gone through the roof; it’s skyrocketed for us,” says Palmeri, who adds that with clients reluctant to travel, the ability to have them tour a space without having to physically walk through it is a huge factor. “Every big landlord is now requesting that their brokers put together virtual tours, and they don’t really care how they do it as long as they get it right.”

Matterport, which pioneered the technology and is the recognized market leader for both residential and commercial real estate applications, allows brokers to scan a space and create a 3D model or “digital twin” from which accurate 3D tours, 4K photos, short videos and schematic floor plans can be generated. A unique web link can also be produced that enables brokerage firms to post 3D virtual tours to their website or other sites, email the link to

prospective tenants, and share on social media.

“Based on what we’ve seen (since COVID), virtual tours are becoming more and more the de facto standard for how customers and partners are interacting with physical spaces,” says Sebastian Badea, director of business development at Matterport. “COVID has made access to physical spaces more difficult, so we’ve seen tremendous growth across all of our verticals—not just CRE.”

Brokerages are able to generate models in two ways: by purchasing a 3D camera from Matterport (or a compatible 360-degree camera) to create their own virtual tours, or by opting for a turnkey solution with Matterport Capture Services. The service deploys locally-based, vetted and trained scan technicians in over 150 North American markets (as well as the UK, France, Germany, Spain and Switzerland) who manage the end-to-end process. Technicians scan spaces with a high performance Pro2 camera, then send back a completed model to the customer within 24-48 hours.

“What we’ve learned over time is that brokers may not have the interest, time, or the money to operationalize themselves directly by purchasing a camera and doing the capture themselves. They really want to be serviced,” says Badea. In May, Matterport entered into a

partnership with Colliers International to provide capture services for over 6,000 brokers in more than 150 U.S. offices. JLL, Cushman & Wakefield, and other firms have followed suit.

"As soon as the pandemic hit, there was an explosion of demand from every office across the country," says Jake Edens, senior vice president of technology and innovation for U.S./Colliers International. Colliers was already using Matterport cameras on a limited basis but needed to scale up quickly. "We told them we needed their capture service in as many locations as possible, as fast as we can, and that we were not going to invest in the hardware and all the training that needs to take place to use the technology. We put that deal together quickly and had people capturing space within days of when things started to shut down." As the sense of urgency has subsided, Colliers is now purchasing cameras from Matterport and licensing their technology to capture the spaces in-house to create 3D models.

Virtual tours are not the only digital tool being implemented by brokers during the pandemic. Many of the large brokerages began investing in tech a few years ago, either creating venture funds that invest in proptech startups (JLL Spark), or forming partnerships with VCs (Cushman & Wakefield with Fifth Wall). Colliers partnered with tech accelerator Techstars in 2018 to start the Colliers Proptech Accelerator initiative, which to

date has invested in 19 early-stage real estate tech companies.

Those seed investments have paid dividends for Colliers during the pandemic, most notably through their partnerships with FastOffice, a virtual office walk-through tool, and Basking, which provides occupancy analytics. FastOffice helps brokers create a virtual office that allows tenants to visualize what their space could look like by taking a 2D floor plan and converting it to 3D. Tenants can then insert or remove walls, furniture, bathrooms, etc. to "test drive" a design—while getting cost estimates in real time. FastOffice also includes WRxSafe, which maps out social distancing zones and provides heat mapping and workplace traffic circulation tools for post-COVID occupancy planning. Basking provides real-time occupancy monitoring to ensure employees in the office are maintaining safe distances in accordance with local social distancing standards. It also alerts cleaning services according to real utilization, all while using existing infrastructure within an office.

One of the added benefits of platforms like FastOffice and Basking is that they can be used remotely. "What used to be done over a long period of time can now be put in place in a matter of months," says Ben Liao, managing director for both Techstars and Colliers Proptech Accelerator. "Even with a clear plan, it's very difficult for offices to execute on

new guidelines and safety measures, but solutions like this are designed to complement and expedite the overall process."

Chris Falk, SIOR, executive vice president with Newmark Grubb ACRES in Salt Lake City, says his clients have been employing space management software such as Space IQ and i-Office as they prepare return-to work strategies. Space management software provides real-time metrics such as total square footage, percentage of space used, and operational costs per-square-foot to help companies effectively plan workspace layout and usage post-COVID.

With the shift to work-at-home reducing office use, Falk reports that many of his clients had been contemplating putting sublease space on the market, but by using space management software, they're able to make more informed decisions. "Tenants are realizing that if they're going to bring people back and space things out, they're going to be going from 140 square-feet-per-person to 175-180, so they're going to need every bit of that space," says Falk.

Another tool which brokers are finding to be invaluable are floor plan apps, such as Magic Plan and Floor Plan Visuals, which provide scaled-down illustrations of spaces for tenants. Palmeri uses Magic Plan and says he was able to create an entire floor plan for a 7,000 SF existing built-out office space with "multiple

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private offices, restrooms, etc., in about 45 minutes, by simply walking the space and pointing my iPhone at the corners and the doors.”

In addition to platforms that assist in the planning, marketing, and leasing of space, there are a number of applications focused on communication and administrative functions that are becoming must-have items. Zoom is wildly popular for meetings, but Microsoft Teams is quickly becoming the favorite digital communication channel among brokers for its ability to integrate with Office 365 and other applications. “We use Teams for conference calls, but we also have an active deals list, and when my team and I are working remotely, we can all be in the same file at the same time, editing the file simultaneously—plus all of our files are auto-saved in Office 365 and the cloud,” says Palmeri.

Another application finally gaining traction is electronic signature software, such as DocuSign and HelloSign. “We have been begging landlords to embrace electronic signatures for over five years now,” conveys Pruitt. “And what the virus has done is it’s caused people to say, ‘I don’t want to get out and go to people’s offices’, so we’re finally starting to see more landlords embrace it.”

While proptech has become a saving grace for the industry during the pandemic, incorporating technology into existing skill sets is just the next logical step for today’s broker.

When things shut down, Falk says his role went through a metamorphosis of sorts, from assisting landlords and tenants with rent deferrals to coming up with innovative tech solutions to adapt to the changing environment. “On Feb. 29, I was seen very much as a broker, and on March 1, that perception shifted to one of a trusted advisor and consultant in the eyes of many of my clients,” says Falk. “It wasn’t always revenue-generating activity, but it reinforces the bonds of reliability and being the foremost source of knowledge in the market.” ▼

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Reliable technology reviews provided by the SIOR Technology Committee

INSTA360 ONE X

Virtual Touring

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WHAT IT IS

Insta360 ONE X is a camera used to quickly capture photos and videos, creating 360 models and tours of properties. With an MSRP of \$399, this camera offers 5.7K quality and 18MP photo. It also comes with an “invisible selfie stick” and tripod.

HOW IT WORKS

Capture 360-degree photos at key locations of the property and then use specialized software—such as Matterport or Immoviewer—to compile the photos into a three-dimensional model. This model can then be navigated by the touch of a mouse. Think of this software as a Google Maps Street View but within a commercial property. The virtual model can be easily shared or added to a property listing.

WHY USE IT

Virtual reality technology is a new way for prospects to tour properties from the comfort of their home or office. The technology uses 360 cameras and software integration to make the property seem as if you are walking through yourself. With low entry costs, this technology could potentially be a market-altering mechanization, especially given today’s pandemic climate. ▼