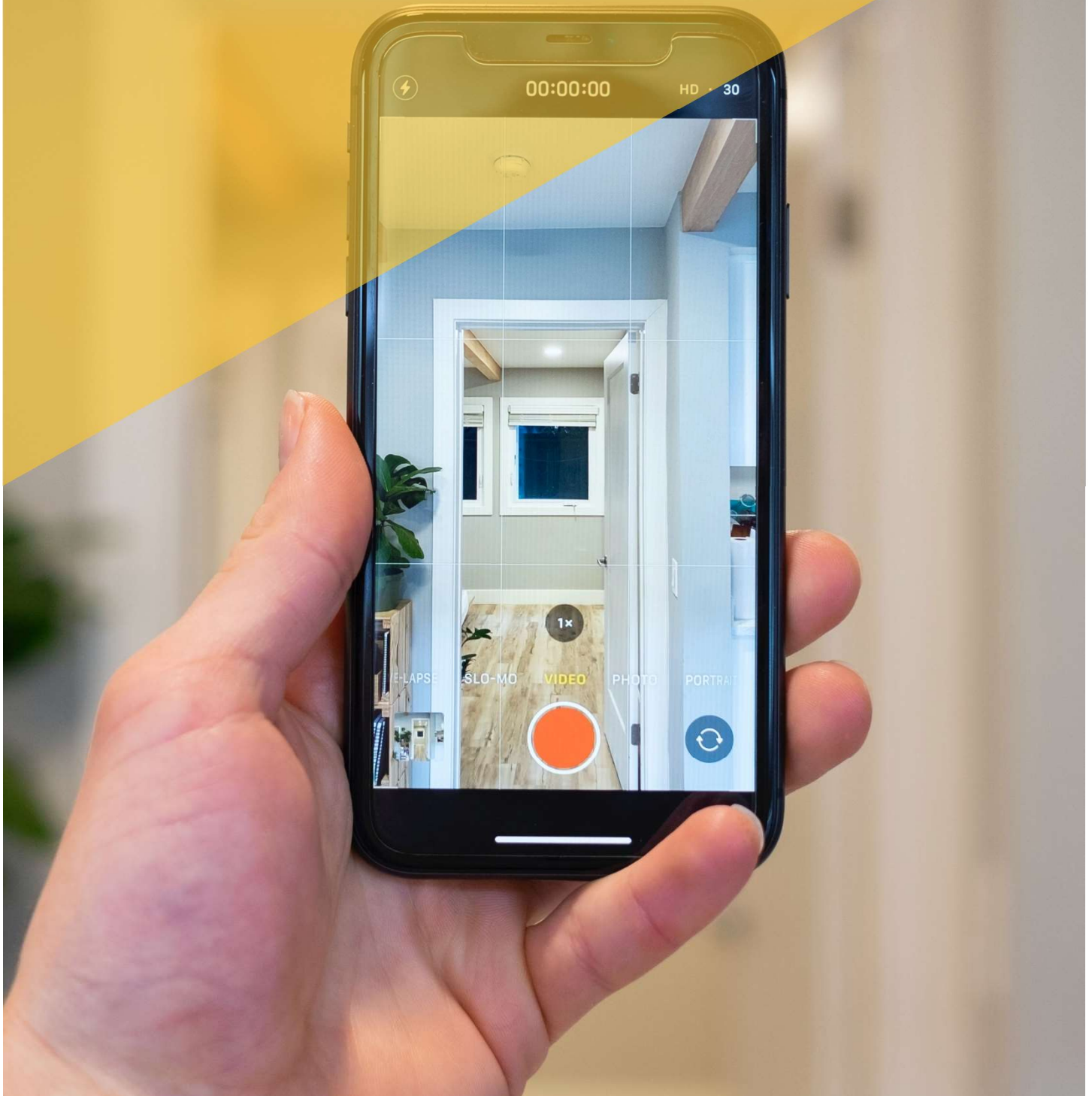


# Technology Playbook: Virtual Tours



For those who manage to make a difference.

Technology Playbook: Virtual Tours

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## Introduction

The real estate industry virtually came to a halt in March 2020 with the coronavirus outbreak, causing major disruption with many states in some form of lockdown. The industry had to adapt and evolve in a very short period of time. As social distancing became the new reality, lifestyles underwent significant adjustment, which in turn had considerable impact on how people can view real estate. In an effort to combat a stalling market, real estate professionals all over the world shifted their focus to digital technologies and the concept of virtual tours, making a change that is likely to continue even after COVID-19 is in the rear-view mirror.

Property managers have been at the forefront of adopting these new technologies in the wake of the virus outbreak. Thankfully a number of products and technologies were already available to help showcase properties through virtual reality (VR). In a world of necessity, as was the case with COVID, these technologies were adopted at a far greater speed that was imagined.

In the residential market, even before the outbreak took place, research from Redfin outlined that 20 percent of home buyers in 2018 made an offer on a home sight unseen, with 77 percent saying they'd like to see a virtual reality tour before making a physical trip. It has also been suggested that listings with virtual tours move on average 10 percent faster. In the wake of the pandemic, Zillow found that the number of tours created in the last week of March 2020 jumped more than five times from a typical week in February.

There are a vast number of virtual tour products on the market with a wide spectrum of functions and capabilities. At their most rudimentary are video call software such as FaceTime being used to walk prospective tenants through spaces, but significant improvements in technology means there are far more advanced options available. At the other end of the spectrum is high-end VR technology using room-scaled headsets and hand controllers to simulate the actual experience of walking through a space – so when you move in real life, the simulator moves with you.

VR and Augmented Reality (AR) also allow for full viewing and immersive experiences in yet-to-be-built projects. VR, in particular, is quickly becoming a powerful tool that lets potential tenants virtually tour properties from a distance, allowing them to experience the space without the need for viewing appointments or model show units.

While virtual tours can't fully replace in-person showings, they do help prospective tenants to evaluate a property better when they can't visit it physically. It is still not possible to recreate that real-life experience of what it feels like in person. It cannot replicate the smells or the noise or sense of space in that specific property. The technology can ultimately be a huge time saver and reduce marketing costs, and in light of current circumstances, experts anticipate a steady rise of its use within the industry.

## Types of virtual tours

Virtual reality has long since been associated with video games and entertainment; however, this technology has a number of applications in the real estate industry.

### Virtual property showcases

Most prospective tenants visit multiple properties before deciding on a short list of the properties they are seriously interested in. This can be time-consuming, frustrating, and expensive if the properties are not local to the tenant.

VR technology can help facilitate prospective tenants by allowing them to virtually view the properties from home. VR headsets can provide the end user with immersive, three-dimensional walkthroughs of properties all in a matter of minutes. This allows potential renters to visit numerous locations to identify properties that have what they are looking for and are worth visiting.

There are two types of 3D virtual tours:

- Guided visits resemble conventional promotional videos but are either fully virtual or in the form of 360-degree videos (which are considered a type of VR). For 360-degree videos, a panoramic camera is required but no programming or sophisticated rendering is needed. For the best experience these types of tours should be viewed wearing a VR headset.
- Interactive visits let users choose where to move within a property by clicking on special hotspots in the field of view. Creating interactive virtual home tours is more complicated, but they're more interactive than guided 3D virtual tours but can be more efficient in showcasing a property.

### Virtual staging

While depicting a property full of furniture and making it more appealing can make it easier to rent, staging can be an expensive way to market a property. Virtual reality technology can be used to market staged properties with very little investment to create stunning 3D real estate tours.

### Virtual reality architectural visualization

Marketing units or spaces that have not yet been constructed has always been a challenge. In the past large full-scale showrooms have been created to market units which require significant investment. Virtual reality can effectively solve this problem and allow potential tenants to carefully check out both the exterior and interior of yet-to-be-built properties.

## Virtual instructions for prospects

Landlords and property managers often need to communicate with prospective tenants and virtual reality technology can help them to communicate efficiently. Prospects can simply put on VR headsets and experience 3D virtual tours. 3D real estate tours not only help tenants understand how utility services at a property work, they have the potential to create maintenance issue efficiency and avoid unnecessary contact with property managers.

This application of VR technology is particularly useful in the current pandemic. Virtual instructions for tenants improve the customer experience and bring safety benefits to both parties with the reduction of physical interaction.

## Virtual commerce . . . the future

The future of VR in real estate has numerous possibilities . . . imagine prospects being able to make changes to what they see.

For example, let's say a prospect tenant is taking a 3D real estate tour but wants to make changes to the interior. They could go to an online store, choose a different piece of furniture, and add it to their three-dimensional tour. By making these changes, they can style a property according to their preferences.

## Decision factors

Selecting the right system to showcase your property can be difficult with so many options available. Determining the right solution will depend on a variety of factors such as the size of your business, your budget, and your business objectives.

When selecting the best virtual tour software for real estate, consider these things:

- Product features – 2D and 3D floor plans, 360 models, VR tours
- Customization options
- Pricing policy
- Data security
- Extra equipment needed

A virtual tour takes people around the property without any interference, gives instant access to a multitude of information, and provides full control over what they want to view next. It's a collection of still images, video, sound, and 360-degree panoramas "stitched" together to create a high-quality experience of the location. With the help of hotspots, visitors can navigate from one panorama to the other and watch the story of the unit unfold.

A virtual tour should also be able to integrate:

- Documents and attachments
- Reports
- Extended property details
- Multiple photo galleries
- 4K videos

Virtual tour software should not require extensive computer knowledge and should be easy for property managers to create regardless of technological experience.

## Questions to ask

Some questions to ask when evaluating virtual tour software:

### **Does the technology appear to create a smooth walkthrough?**

If the transitions are rough or are somewhat stuttered, they may not be in 3D. Smooth transition create the best 3D virtual experience.

### **Does the technology create a "dollhouse" view of the property?**

Real 3D tours create virtual models of the entire property (like a dollhouse) to allow viewers to zoom into and out of the unit.

### **Where can I distribute the images of my property?**

Many companies automatically distribute their tours with various marketing platforms and they also create short videos or GIFs that can be shared on social media.

### **What other features does the tour vendor offer?**

Several other features are outlined below.

## **System features**

There are a number of features that can be found in virtual tour programs that add to their effectiveness.

### **3D virtual tours**

3D virtual tours let anyone have a look at the property's interior and exterior. Viewers can move room by room around any space from any device. With special VR equipment, people can turn on the VR mode and feel like they're inside the building.

### **Schematic floor plans**

Schematic floor plans provide users with a clear understanding of the property dimensions and layout, so there's a low probability that they miss a floor or room. Unlike the photo gallery, indoor plans give a quick and complete overview of a unit.

### **3D presentations**

Some software can transform 2D indoor floor plans into 3D presentations. A customizable detailed model can be provided with furniture and decor and 360-degree rotation allowing prospective tenants to view a property from different angles. 3D presentations may include both images and videos.

### **Interactive maps**

Interactive maps provide information about the geo area, give directions, and showcase surrounding objects to give prospective tenants a full taste of the property's neighborhood and amenities.

### **Live panoramas**

There are various types of live panoramas: standard, stereo or animated panoramas. Standard and stereo create a realistic picture with tiny details of planned or finished projects. Animated created visual effects by adding extra components such as people, animals or other objects. Comparing with 360° videos, panoramas are lighter yet they're more vibrant and dynamic than standard panoramas.

### **Voice-over/audio**

Voice-over/audio guides visitors, explains the surroundings, adds extra effects in the form of a person's speech or music that creates a certain atmosphere. There are tools offering text-to-speech to turn written content into a voice.



## Assessing benefits of virtual tours

Making a decision about whether virtual tours are right for a given property or company requires awareness of the benefits that come from the use of this technology, as well as the potential drawbacks.

There are a number of obvious benefits of virtual tours, chief among them:

### **Time savings**

Virtual reality solutions save time for both prospective tenants and property managers. VR means that there's no need to travel from one property to another and prospects can simply put on VR headsets or watch 3D presentations and enjoy immersive three-dimensional tours.

As virtual reality devices become more widespread, the majority of people will be able to take VR property tours without leaving their homes. Virtual reality also means that properties are open around the clock. With the help of VR headsets, prospective tenants can visit houses and apartments any time, freeing leasing agents and property managers the time to deal with all of their other daily activities, helping to boost productivity and streamline workflows.

### **Access to larger pool of potential tenants**

Enabling properties to be shown through virtual tours permits property managers to be more productive. Also, it doesn't matter where your prospective tenant lives. A virtual tour of your property can help prospective tenants from across the country view the property without having to be there in person. This can be particularly helpful for tenants relocating to a new city and means property managers can work with more clients and process more inquiries.

### **Money savings**

Creating a guided video tour around a property requires just a panoramic camera and some straightforward software. VR software helps you save money by using the power of 360-degree panoramic video and computer graphics to create these 3D immersive experiences.

### **Instant connection**

Incentivizing prospects to sign a rental agreement can be challenging. VR home tours allow them to virtually visit properties when they want and for as long as they want, which creates a sense of connection and ownership. This experience can be enhanced with interactive add-ons such as information about similar properties, amenity spaces and descriptions of neighborhoods. This helps tenants get as much detail as they need about the property before making contact.

### **Optimization**

Virtual tours help generate more tenant leads by making your listing more appealing. Apartments.com suggest that three times more time is spent on a page when a page has a video or virtual tour. Matterport reports that these listings also see a 49 percent increase in the number of leads. Zillow research reports that 41 percent of millennials find video or virtual tours very important in helping them decide on their next home. Virtual tours

make showings more accessible to prospective tenants with limited mobility ensuring more viewings which will lead to more lettings.

### **Narrow down serious inquiries**

Virtual tours can help you filter serious prospects from those who are just looking, including a virtual tour in your online listing can function as a lead qualification tool. Prospective tenants will already have seen the digital tour and will have a good feel for the unit when they arrive for an in-person tour. This means you avoid wasting time and can focus on the most serious inquiries.

### **Creates content for social media**

Social media marketing has become a major part of the real estate business. Virtual tours can create amazing and beautiful content for social profiles, helping you to expand your online presence and attract prospective clients.

## **Assessing drawbacks of virtual tours**

The benefits of virtual tours notwithstanding, there are some drawbacks to be accounted for in the decision-making process.

### **Cost**

More advanced systems require the use of a more specialized camera which can be expensive. You also need to think about buying the accessories such as a tripod, rotating mount, and camera bag.

(Third party services like HomeJab or Planomatic can take the videos for you if you prefer not to buy your own equipment. Prices can vary anywhere from \$150 to \$300 per listing for this service.)

### **Wasted work**

Some tours may go unseen. Apartments.com usually highlights virtual tours well, and Zillow highlights any homes with a virtual tour created in their Zillow 3D Home app. It is important to make sure that your showing webpage supports your virtual tours and highlights them appropriately. If you're not partnering with the right platform, your tours may go to waste.

### **Photo quality**

The quality of photo is still of the upmost importance. Whether you're using virtual tours or not, best practice is to have 11 to 15 high-quality photos on your listing. Zillow outlines that listings with at least 11 photos receives twice as many views as listings with 5 photos.

## Assessing the company

With real estate still being a somewhat nascent technology sector, there are many new companies offering their products. Here are some key questions to ask when evaluating a product or service from a new company – most of which can be answered by conducting a simple search on Google, Crunchbase, or TechCrunch.

### **How long has the company been in business?**

Is the company a startup? If it is a startup, what type of funding is backing it? When looking into a company that you are thinking of using, you want to be sure that the company will be around in the coming years. One good indicator is looking at the financial backing it has received from reputable investors. It is generally positive if a notable venture capital team has backed the company (e.g. Fifth Wall, JLL Spark) or it has received sufficient funding that will allow the company to grow in the coming years.

### **What is known about the company's ownership and management?**

Is it a private company or public company? Who are the people behind the company? What is their background, their reputation, their past experience and performance? Is there a capable management team in place? Do they have the technical capabilities to make the company work?

### **Does the company have a webpage?**

Does the webpage present complete information about the company and its management team as well as the solutions it offers? Does it provide sufficient technical details to indicate the product is beyond the conceptual stage?

### **What is the company's standing and track record?**

Who else is using the company's product? Do other credible users recommend the company and its solution? What are the security protocols and standards for the company?

### **What would an exit strategy look like?**

If you choose to abandon the company in the future or it goes out of business, what barriers would exist? How easy would it be to migrate your data or systems to another platform?

## Virtual tour providers

There are a number of virtual tour providers available in the market. Here is a listing, presented in alphabetical order, of those that have received favorable reviews and offer good demonstrations.

A note about pricing: This playbook aims to give a snapshot of some of the leading providers of this technology and service in the marketplace today. As each technology provider has different pricing models and each property manager has different requirements, functions, and needs, providing specific pricing information is problematic. You are advised to contact the provider directly in order to get the most accurate price plan that caters to the specific needs of your company and your properties.



3DVista is a software company that offers virtual tour software and includes features such as floor plans and maps, panoramas, social sharing, virtual reality, voice-over/audio, for hospitality, 360-site stream, hotspot, and social media integration. 3DVista Virtual Tour Suite is available as Mac, and Windows software.

3DVista is unique from other virtual tour companies in that it not only offers DIY solutions to clients who are technology oriented; it also offers customized services to those who aren't too familiar with this technology or don't have enough time to create real estate virtual tours.



Atlas Bay VR is a real estate visualization company specializing in integrating cutting edge Virtual Reality (VR) technologies into the sales experience, creating a more effective, memorable, and compelling story for prospective tenants.

Most real estate companies know the benefits of VR but aren't sure how to leverage the technology and Atlas Bay provides solutions to help beautifully showcase spaces to people around the world.



EyeSpy360 allows you to create interactive tours for your properties using any VR camera. They have a user-friendly Tours-as-a-Service (TaaS) solution to make the creation process as simple as possible.

All tours are compatible with Google's VR headset for a totally unique tour. They provide quality service, tracking how many hits each tour gets, and even outline where the hits are from. They also offer eye spy live, which uses the same software, but you can live chat and guide your prospective tenants through the unit.

"Automatic Floorplan Creation" is a relatively new feature which creates a floorplan automatically once filming has been completed.



Kuula is one of the least expensive options available with one of the best editors available. Easy-to-use solution to create 360 Virtual Tours for real estate, architecture, hospitality, construction and education. Easily upload, edit and share functions. Has been rated as the no.1 beginner software by many reviewers.



## Matterport

Matterport is the primary option in the multifamily rental industry. Matterport Tour is a high-definition photography tour that includes up to 20 locations within a rental, which are combined into one realistic, interactive 3D and VR photography tour. Tenant leads can click through the house in any direction to see seamless, detailed images of the rooms, as if they were walking through. You can also create accurate floor plans and 3D models with a dollhouse view.

One of the leading names in the market. Interestingly you don't need to buy the expensive Matterport camera setup to use as the platform has been opened up for use with regular 360 cameras.



My360 allows you to build interactive virtual tours with their online property virtual tour software, compatible with any 360-degree camera (e.g., LG, Samsung, Ricoh Theta, Insta360, GoPro, and stitched DSLR images).

You can build property virtual tours using their virtual tour software and they offer a free trial period with no obligation. More advanced packages are available if necessary.

All the packages include these features: customization options, tour description, Google street view, pop-up hotspots, contact forms, quick menus. Analytics, multiple languages, several accounts and user levels.



roOomy offers virtual staging services, interior design applications and high quality 3D modelling and rendering.

## Roundme

Roundme is a 360 VR publishing and panoramic tours authoring platform. Roundme application allows users to create, upload and share 360 degree panoramic photos and multimedia content of real spaces, which users can visit virtually. Roundme has a broad field of usage: photography, real estate, marketing, travelling, design and architecture.



Designed to be a self-service software solution, Tourwizrd enables you to give 3D tours of properties for prospective tenants. Tourwizrd allows you to capture panoramic shots and transform them into a virtual tour. The tours can be rendered such that they take up a full screen. Moreover, they are automatically optimized for Search Engine Results Pages

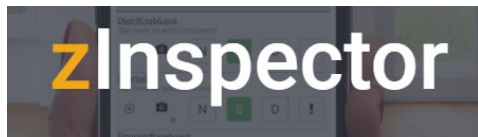
(SERPs) and can be viewed on computers as well as mobile devices. Tourwizard creates videos that are compatible with all versions of modern browsers.

The real estate virtual tour software enables you to add maps as well as your own company branding. A free demo is available.



VR Listing is a real estate marketing company with a focus on three-dimensional immersive technology. They provide cutting edge and major solutions for real estate professionals.

The company offers drone videography, floor plan publishing, specialty website development, architectural photography, interactive software development, 3D Show casings and more.



The zInspector platform enables property managers, contractors, and real estate professionals to streamline their rental unit inspection process with mobile inspection applications and automated cataloging and storage of inspection data in the cloud. The solution facilitates small business owners to take and manage 100,000s of inspection photos and videos in addition to creation and storage of electronic contract documents for purposes including security deposit documentation, customer service agreements, and City/State inspection compliance.

## Creating a successful virtual tour

Virtual tours allow prospective tenants get a good feel of a unit without interrupting the current renter occupant. It also helps promote safe physical distancing and reduces the opportunity to spread germs. If you are thinking of creating your own virtual tours here are some tips to help create professional looking tours.

### **Illustrate all features with explanation**

Prospects want to see the full layout of the home. Take time to think about how best to display every aspect of the unit, provide narrative descriptions to complement the visuals, and suggest ways that might improve the unit.

### **Create 360 views**

Place tripod in the center of each room and slowly record a 360-degree image of each room. An audio description is helpful.

### **Live event**

You can promote the virtual tour on social media to have as a live event or schedule it for a certain time. Using Instagram or Facebook to walk potential tenants through also gives the opportunity to answer prospective tenant's questions.

### **Invest in the right equipment**

A smartphone is really the only tool needed to create video tours but investment in a tripod, microphone and light can give a more professional appearance.

### **Detail the amenities**

Ensure you outline all amenities in the building and in the local area to help the prospective tenant get a feel for what it will be like to live in the unit.

### **Declutter the space**

If the unit is not vacant, remove unnecessary objects and clutter that would detract from the visual attractiveness of the space.

### **Provide key facts**

Include information about pricing, square footage, other key facts about the unit and the community. Explain the leasing process and tell prospects what they should do next if they like the space.

### **Follow best practices with respect to social distancing**

Above all, follow your state's guidelines established by executive order about essential business and permitted activities. The health and safety of company employees, prospective tenants and occupiers, and the real estate professionals with whom you work should be your main priority.

Understand that people have different levels of concern over the pandemic, the precautions to take, and the desire for physical showings. Work to address individual needs, be flexible.

### **Obtain approvals**

Ensure you have obtained permissions or have the necessary rights to use other vendors' or third-parties' video recordings or photographs. Provide proper guidance and tips to all members of your team if intending to stream or record for virtual tours or showings.



## Low-tech alternatives

If a virtual tour isn't in your budget, other options are available to present the space in its best light using words and pictures. Many of the suggestions for creating a successful virtual tour can be applied to less high-tech presentations. In addition:

### **Don't neglect the written word**

The listing for the space is always critical. Give it the attention it demands. Include in your listing the information that prospects want to know, highlight the exceptional features that set it apart. Don't overwrite or use flowery language. Be truthful. And don't forget to proofread.

### **Use photos**

Presenting the space with quality photographs can be very effective. Use between 10 and 15 photos to show case the unit, its layout, and its features.

### **Create a smartphone tour**

Use a selfie stick and your smartphone and walk through the unit, narrating it as you go. Tell a story about the space, the community, the neighborhood. Include information about pricing, square footage, and the leasing process.

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