



eBook

# Real estate: Are you ready to future-proof?

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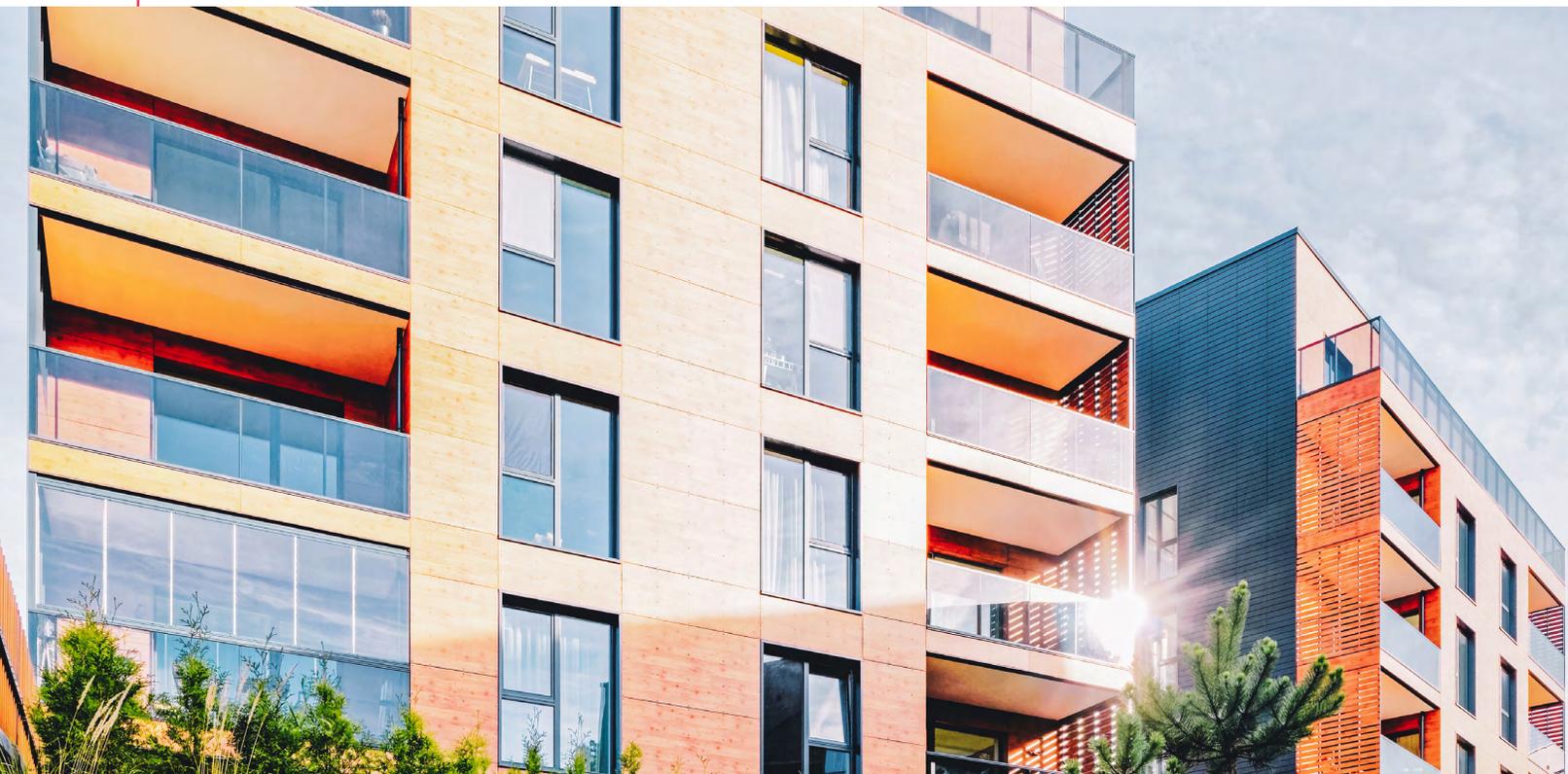
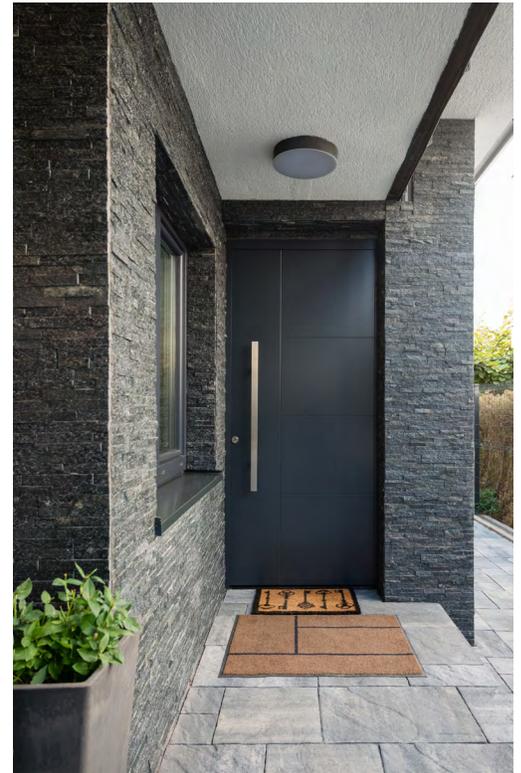
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# Introduction

Real estate is an industry that has always kept professionals on its toes, but the current global pandemic is changing the way this sector operates forever.

**However, real estate is resilient:** capable of withstanding recessions, open to innovation and increasingly willing to adopt new practices. Here, we're celebrating the determination among the real estate and property technology (PropTech) community to survive and thrive in our new normal. Positives are beginning to emerge and we'd like to share those with you.

We'll take a look at some hints and tips that will ease your transition into this new way of working and help you prepare for the future. We also include a global snapshot of the real estate market, so you can take a look at current conditions.



# Let's get digital: A global shift toward online real estate agency

While the internet is the go-to starting point for almost every property search, many supporting aspects of the buying, selling and renting process are laborious and paper-based. Our new normal has expedited the digitalization of real estate and as a result, agents will gain more capacity, be able to close deals quicker and move more people with less red tape.

As Forbes contributor and PropTech journalist Angelica Krystle Donati pointed out in an article, tech solutions will be key as we move forward.<sup>1</sup>

Our new normal has expedited the digitalization of real estate and as a result, agents will gain more capacity, be able to close deals quicker and move more people with less red tape.

“*In the immediate future, technologies that reduce the need for human contact will be the clear winner; be they gesture-based building controls, platforms that eliminate the need for any human contact in real estate transactions, or technology that enables safety and social distancing on construction sites.*”

**Angelica Krystle Donati**

*Forbes Contributor/PropTech*



## Going digital with real estate investment

Real estate crowdfunding has become commonplace among Millennials and Gen Z but the pandemic is turning the heads of more seasoned investors who may be constrained by social distancing and travel restrictions. In America, remote real estate investment is being facilitated by companies including Fundrise, Realty Mogul and CrowdStreet, that offer set-up and asset management using nothing more than a smartphone.<sup>2</sup>

## Ditching the paper trail

A new committee has been formed in the UK to specifically look at the creation of property log books that will digitize upfront sales information. Digital records will improve sharing and access, plus slash the property completion timeframe by a matter of weeks or even months.<sup>3</sup>

<sup>1</sup> <https://www.forbes.com/sites/angelicakrystledonati/2020/05/27/whats-next-for-real-estate-and-proptech-after-covid-19/#598866447694>

<sup>2</sup> <https://www.valuewalk.com/2020/06/remoted-investing-coronavirus/>

<sup>3</sup> <https://propertyindustryeye.com/proptech-firms-tasked-with-developing-how-to-digitise-upfront-sales-information/>

## Bringing blockchain into everyday use

France—early adopters of blockchain—announced it was setting up the French Federation of Blockchain Professionals during the lockdown, becoming the first consortium on the use of the technology in real estate.<sup>4</sup>

Across Europe, Max Property Group (MPG)—the Dutch property fund owner with assets in the Netherlands, the UK and Germany—has released version 2.0 of its Max Crowdfund app. This allows investors across the globe to access real estate investments in a matter of minutes, from any computer or mobile device, and “with the security of AML procedures and blockchain technology.”<sup>5</sup>

Blockchain is also being hailed as a game changer when it comes to land titles. A report published by the Chile arm of agent JLL highlights how “blockchain technology has the potential to dramatically cut the traditionally lengthy process of recording and transferring titles, with the added benefit of virtually bullet-proof transparency.”<sup>6</sup> Sweden, Ukraine, the United Arab Emirates, the UK and the Republic of Georgia are all trialing the technology.



<sup>4</sup> <https://www.osborneclarke.com/insights/real-estate-blockchain-transformative-potential/>

<sup>5</sup> <https://www.propertyinvestortoday.co.uk/breaking-news/2020/6/crowdfunding-platform-releases-app-to-help-investors-post-covid-19>

<sup>6</sup> <https://www.jll.cl/es/trends-and-insights/investor/how-blockchain-is-reshaping-the-real-estate-industry1>

## Replacing face-to-face appointments with remote notarization

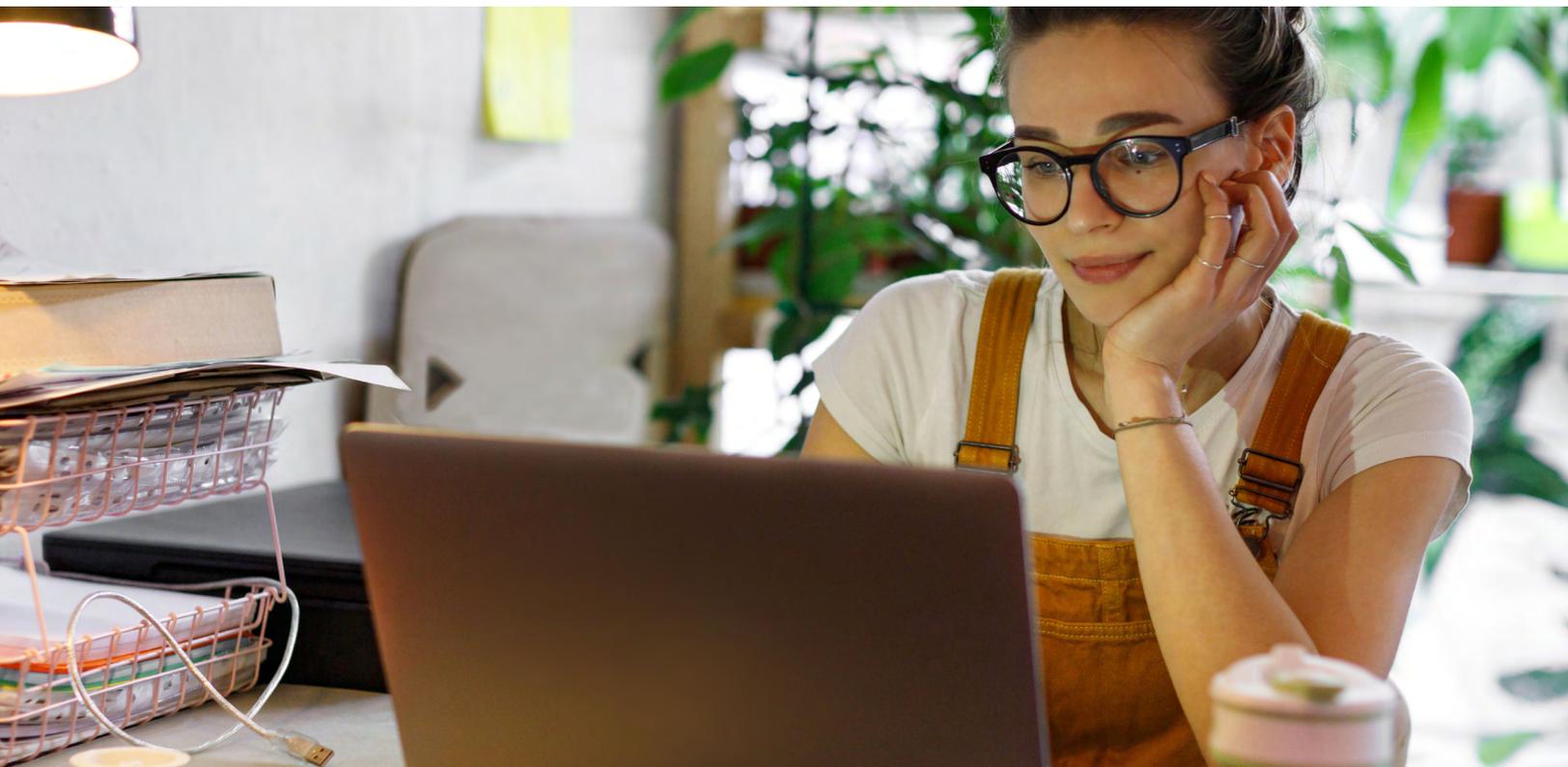
In response to demand for its services during the pandemic, Notarize.com accelerated its remote notarization solution timeline to meet the needs of consumers, businesses and notaries alike.<sup>7</sup>

Its online platform now means the 100 million notarizations requiring a seal and signature each month in America can be performed without face-to-face meetings.

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## Incorporating online auctions to gain agility

Australia is tuning into live-streamed auctions to seal property deals, with AgentBox witnessing a surge in real estate agents requesting integrations with online auction platforms like AuctionNow, Bidtracker by Real Time Agent and GavI off the back of COVID-19. Integrating an online auction platform into your setup is a good way to ensure your real estate business is agile and can continue closing sales while still observing social distancing. Facebook Live, Zoom and Google Hangout were also cited by Mansion Global as digital real estate solutions.<sup>8</sup>



<sup>7</sup> <https://www.notarize.com/blog/opening-notarize-platform-independent-notaries>

<sup>8</sup> <https://www.mansionglobal.com/articles/live-streamed-auctions-and-remote-deals-how-australias-real-estate-market-is-weathering-the-pandemic-213773>

# Digitalizing searches: How portals are embracing PropTech

Portals across the globe are evolving on an almost weekly basis to accommodate the new normal. **Here is a small selection of initiatives:**

## US

Always a tech-forward company, Redfin, the most popular brokerage in the US, has leveraged Matterport 3D scans as a competitive advantage since 2014, making it easy for all real estate agents to highlight their listings with a Matterport 3D virtual tour. According to Redfin, “Buyers love these scans and [we’ve] featured them in our TV ads every year for the past six years...Since the pandemic began, views of virtual walkthroughs on Redfin.com are up 303%.”

## Germany

Germany’s largest property portal, Immobilienscout24, has more than 16,000 property listings that feature virtual tours. The site’s parent company, Scout24, has said this visual tool currently gives sellers an average 40% increase in interest from potential buyers.

## UK

The UK’s leading portals, Rightmove and Zoopla, were including virtual tour tabs on listings before the pandemic. But in June 2020, Rightmove announced it was enhancing its automated online viewing feature to enable potential prospects to request an online viewing when they send an inquiry.

The agent can then send a link to a video or virtual tour hosted on their own website, or book in a video walkthrough using a video calling app.

## Malaysia

In Southeast Asia, property portal PropertyGuru has rolled out a new capability in its FastKey platform, which lets developers showcase properties to prospective buyers through 3D visualization.



*“In Singapore, virtual tours and photos have been enough to seal multi-million dollar deals, pointing to how transactions are evolving.”*

*—Japan Times*

# Hints & tips to help future-proof your real estate operation

Many of the adjustments agents have had to make, and the technology they've had to embrace, have been on the periphery for a few years now. But a wider adoption has been forced due to social distancing and restrictions on movement.

The good news is these implementations will improve your business in the long-term, as well as help you cope with changes in the short-term. Our hints and tips are ideal for agents who are struggling to adjust to the new real estate normal. **Read on to discover how you can pull positives from a new way of working:**

## Working remotely

Chances are good that limiting your exposure to clients was not part of your original plan. The pandemic, however, has taught agents the value of being agile – working from anywhere with minimal contact, at a moment's notice. Agents who adopt remote working patterns will be in a position to better help clients compared to those who retain traditional in-person operations.

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### Consider these key ingredients to ensuring successful remote work:

- Cloud-based software, storage and email systems that work off a secure web login, rather than back up to office-based servers, are the way forward. This system supports maximum agility, ensuring all employees can access data and contacts via any Wi-Fi-connected device, at any time and from anywhere.
- Switching to laptops from desktop setups that comprise a cumbersome screen and heavy hard drive tower allow staff to keep records updated on the go and work from home, when the need arises.
- Video calling has proven itself to be a great alternative to in-person meetings – both with clients and with colleagues. It's worth upgrading any free, basic packages you may be using to something slicker and more robust, with better support and user features. Agents can also increase their professionalism at home by using a virtual background to hide home-related clutter.

## Virtual viewings

The new normal for touring a property is the two-step viewing process, where all potential buyers and tenants are encouraged to take a virtual tour before booking a private viewing.

If you aren't capturing virtual tours of your listings, now is the time to start as property sentiment trackers show that clients are actively requesting virtual tours.

If you aren't capturing virtual tours of your listings, **now is the time to start** as property sentiment trackers show that clients are actively requesting virtual tours.

**Matterport is designed with real estate in mind and we offer three opportunities:**

- The facility to book a trained technician to capture virtual tours on your behalf.
- The option to buy a compatible camera with access to online training and support.
- Our iPhone-compatible 3D capture app, which works for capturing a room or small space without the need for a special camera.

*“During these unprecedented economic times, real estate agents are now advising sellers to go one step further, by creating 3D walkthroughs of their property using technology from startups like Matterport.”*

—DW.com



**Not only do virtual tours provide the next best thing to visiting a property in person, they carry extra benefits:**

- **Increased commission:** Agents reported 4-9%<sup>9</sup> higher sales price for homes marketed with a virtual tour.
- **Supercharged enquiry levels:** Buyers are 95% more like to ask about a home for sale that has a virtual tour.
- **More qualified leads:** Virtual tours ensure only the most genuine potential buyers are progressed, with the ability to weed out tire kickers and time wasters.
- **Quicker sales:** Properties with a virtual tour spent 31% less time on the market.
- **A reduction in unnecessary viewings:** Twenty percent of buyers made an offer after just viewing a virtual tour and not visiting the property, saving agents time.
- **A better Google ranking:** Virtual tours keep people on web pages longer and increase customer engagement when used as part of an online listing – both of which will help your Google ranking.



*“New-build homes are twice as likely to be marketed with a virtual tour of some kind than older properties. In fact, we have seen a 215% increase in virtual viewings of new-build properties on our site, suggesting they are a big hit with potential buyers.”*

*—Zoopla*

## Staffing & social distancing

These two elements now go hand-in-hand, especially if you want to run a happy, healthy and harmonious agency. Matterport 3D tours can help you re-imagine your office space to implement social distancing measures – both for your staff and any visitors. Ask us about a virtual tour's role in space planning and building information modeling.

Ask us about  
a virtual tour's role in  
space planning and building  
information modeling.

[CONTACT MATTERPORT](#)

- **Personal space: A switch to shifts?**

Sometimes, circumstances dictate that you have to work with what exists and in these cases, a more creative approach to staffing is needed. If you find a full house of employees tips you over the social distancing edge, think about implementing a rotating schedule and use our remote working tips above to facilitate a workable shift pattern. By doing this you can even increase your opening hours and operational days.

- **Outsourcing when staffing is compromised**

If you find yourself short staffed – perhaps with employees who are unwell, shielding or isolating – take a look at outsourcing elements of your business to third-party experts. They usually operate on a “pay only for what you use” basis and can scale up or down in line with your business.

- **Streamline with a smart partner**

In the coming weeks you may discover that you develop issues with your usual suppliers and need alternatives. Matterport's virtual tours can perform multiple functions that help streamline your marketing while reducing fixed overhead expenses in the process. One scan and one property visit generates 4,000 print-quality photographs, guided and video tours, schematic floor plans and an interactive dollhouse model, in addition to a 3D virtual tour – almost all the assets you need to make a listing live.

You'll immediately be able to share on social media sites; publish to Google Street View, VRBO, Realtor.com; embed your 3D virtual tour on your website; and measure anything in the space digitally so that you and your clients can double check the sizes of rooms or assess if furniture will fit in a space.

## Capitalize on current trends

Real estate agents might start feeling a reluctance among clients to move into a new home as health and economic levels fluctuate. There is, however, an undercurrent of change, with people re-evaluating their lifestyles in search of something new.

Agents who can facilitate a fresh start will gain an advantage – helping people move to more rural and coastal locations.

Agents who can facilitate a fresh start will gain an advantage – helping people move to more rural and coastal locations. It's all about the message in your marketing. If your geographical domain presents one of those in-demand, lifestyle changes, be ready to tempt buyers and tenants from afar with a virtual viewing.

***“There is no time like the present to start looking for their dream overseas home. You can also get all your research done online, and even purchase without flying there as many agents and portals are experimenting with virtual viewings.”***

***—Property Guides***



## Virtual viewings in the media

See what top publications have to say about the importance of PropTech:

“ *The use of virtual tours is on the rise. Many in the property industry are investing in the new technology.* ”

—Financial Times

“ *From a property industry perspective, it is clear that consumers want an immersive viewing experience for their comfort and safety. Behaviours are going to change to some extent post-COVID-19, and while the consumer will still want to physically see the property, we believe the number of physical viewings will reduce.* ”

—PropertyGuru

“ *Our statistics show that it takes 25 viewings per property to sell a home yet we've noted up to a 123% increase in month-on-month unique visits to properties' virtual viewing tours across some of our branches. A virtual viewing is produced just once at the outset, thus creating an online 'viewing ready' property which is available 24 hours a day, 7 days a week, 365 days a year. This will ultimately filter out those viewings which have no potential and reduces the time necessary to prepare for each viewing.* ”

—Strutt & Parker



# What's happening on the global property stage?

## USA

The rebound in the US housing market will not look like a V or a U. Instead, recovery will take a W pattern, reports Realtor.com.<sup>10</sup> The property portal forecasts increased activity in July, August and September, with a withdrawal of interest in Q4 of 2020 in anticipation of a second wave. The portal has revised its predicted 2020 home sales figures—scaling down from 5.25 million sales to 4.5 million—a drop of 11%.

## UK

While moving was temporarily paused for all, barring those contractually bound, the UK's appetite for property has returned since restrictions were lifted. In fact, the leading property portal, Rightmove, registered its busiest day ever in late May, with over 6 million users searching for property. The big question is value –predictions of a 3-10% price dip are swirling but it's expected to be a short-term drop.

There has also been a remarkable bounce-back in the UK's lettings market, with figures from Goodlord<sup>11</sup> showing that lettings activity after May 13th have soared. The first day of June saw new tenancy applications rise above 2019 levels, while volumes of new tenancy applications have now risen by over 82%, compared to the activity levels seen in mid-April.

***“Guidance issued by the government explicitly advises agents, buyers and sellers that more activity should be done online, if possible.”***

***—Estate Agent Today***



<sup>10</sup> <https://www.forbes.com/sites/dimawilliams/2020/05/13/forecast-housing-market-to-chart-w-shaped-coronavirus-recovery/#667007367c84>

<sup>11</sup> <https://blog.goodlord.co/rents-up-and-voids-down-as-lettings-market-caters-to-unprecedented-demand>

## Asia

After its markets came to a complete standstill, there is evidence of a recovery - a welcome boost after China's National Bureau of Statistics<sup>12</sup> reported that residential sales fell more than a third in the first two months of 2020. Knight Frank and Capital Economics<sup>13</sup> monitoring of 30 Chinese cities found that daily sales at the end of March had returned to the same levels seen in early January.

In Hong Kong, where the outbreak was largely contained, moving activity has been hit by its Western connections. Transactions in April were 48% down on the year before – although this is being described as a “modest decline.”

## South America

This market is a game of two halves. Experts<sup>14</sup> say second-home and vacation-home markets, as well as densely populated cities, will be hardest hit and slowest to rebound, with Bogota, Cancún, Playa del Carmen and Rio de Janeiro on the strugglers list. The dip in values – estimated to be as much as 30% - will provide US buyers with an advantage, especially with a strong dollar. On the flip side, there is expected to be heightened interest in homes in off grid locations where movers have a degree of space and self sufficiency, such as in Belize.



***“The use of virtual tours is on the rise. Many in the property industry are investing in the new technology.”***

***—Financial Times***

<sup>12</sup> <https://www.ft.com/content/e6534fd4-8d7d-11ea-9e12-0d4655dbd44f>

<sup>13</sup> <https://www.knightfrank.co.uk/research/article/2020-03-20-the-impact-of-covid19-on-asias-residential-markets->

<sup>14</sup> <https://www.forbes.com/sites/kathleenpeddicord/2020/05/07/global-property-markets-post-pandemic-how-and-where-covid-19-is-creating-opportunity/#40686cfc87c1>

## Big cities

A report by Forbes highlighted the robust nature of 'big brand' locations, naming **Paris** as a shining example. House prices and rents were climbing before the pandemic, fuelled in part by relocators shifting from London to Paris in the wake of Brexit. Evidence shows very few listings have been withdrawn during the city's lockdown and a surge of new listings is predicted as soon as restrictions are lifted.

The average cost of a home in the capital rose 1.2% in March, increasing the annual rate of price growth to 4.7%

In **New York**, activity is tiptoeing along but agents say it's necessary – those moving from a one bedroom apartment to a bigger property as they have a baby on the way, for instance. There is an air of buyers wanting to chip away at asking prices and vendors open to negotiation for fear of losing their purchaser.

In Austria, where the pandemic's peak was over relatively quickly, it is **Vienna** that is recovering with speed. Knight Frank reports that enquiry levels have been "fairly healthy" in the city throughout late April and early May. Neighbouring Germany also looks in good shape, with **Berlin** identified as Knight Frank's property star. Its "young population and strength in technology, marketing and creative industries" are cited as a set of redeeming qualities. **London** house prices surged at their fastest rate for more than three years in March 2020, despite the market effectively shutting its doors. The average cost of a home in the capital rose 1.2% in March, increasing the annual rate of price growth to 4.7%, according to data from the Land Registry.<sup>15</sup> Despite this, house prices in London are forecast to dip between 3-7%.



# What's next?: Future-proof with PropTech

As we've seen, the real estate industry around the world is changing—but this isn't necessarily a bad thing. While this new normal will create challenges and new obstacles for real estate agents, it also institutes new opportunities to leverage PropTech in a way that better supports buyers. While we continue to ride out the current storm and look to the future, one thing is clear: the need to future-proof this industry with the proper digital tools and PropTech solutions.

As a leader in the PropTech industry, we're well positioned to help you and your real estate firm do just that, and prepare for a brighter and more digital future in real estate. As you and your agents continue to shift toward remote work and improve the way you do business, [turn to Matterport for the latest in PropTech guidance and best practices.](#)

Win more listings, expand your reach and entice buyers, all through our innovative PropTech 3D capture and virtual tour solution. [Connect with us at Matterport today to learn more.](#)

## About Matterport

Matterport is the industry leader in 3D capture and spatial data with a mission to digitize and index the built world and advance the way people interact with the places they inhabit and explore. Matterport's all-in-one 3D data platform enables anyone to turn a physical space into an immersive digital twin and share it with others to connect and collaborate in 3D.

The Matterport platform helps thousands of customers in 130+ countries realize the full potential of a space at every stage of its lifecycle including planning, construction, appraisal, marketing and operations. The company has been serving the real estate and photography industry since its inception and is also being adopted by major brands in architecture, engineering, construction, facilities management, insurance, restoration, retail, travel and hospitality.

Learn more at [matterport.com](https://matterport.com). Or contact your regional office today at [matterport.com/contact-us](https://matterport.com/contact-us)

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