



nerej

Real Estate and the Metaverse: Phase II - Daniel Calano

January 14, 2022 - Appraisal & Consulting



Daniel Calano
Prospectus, LLC

Last month I wrote my New England Real Estate Journal article introducing the “metaverse,” and its potential impacts on real estate. I promised to dig deeper in the next one, with more specifics on the subject. Here it is.

The take-aways from the last article start with the definition of metaverse. While it means many things to many people, overall it is a blending of virtual digital world with the real world. The next take away is that it already is here, in its infancy, but with early meaningful potential impact . Here are some examples.

Brokerage: Virtual tours of properties; three-dimensional client immersion in building design; faster negotiation and signed agreements; faster appraisal and comp review, almost instantaneous financing;

Architectural and Engineering: Three-dimensional immersion for the designer process; artificial intelligence in structural engineering design; instantaneous design revision and alternatives; algorithmic speed structural calculations.

Office Planning and Use: Hybrid occupancy better facilitated through digital presence during meetings and collaboration; algorithms efficiently calculating real time office/home balance. Flexible interiors change physically and virtually.

Retail/Shopping: E-commerce has already changed physical shopping. Virtual Mall tours provide visual access to stores and merchandise within; CR codes provide immediate visual and verbal description of potential purchases; existing personal data /interests analyzed through artificial intelligence directing shoppers to targeted appropriate venues and product.

Industrial: Supply chain bottlenecks improved through better logistics, accounting (block chain); better located and available warehouses improved to find and load products; last mile transportation (final step in delivery) improved through efficient logistics,

Resorts/Hotels: Virtual tours, virtual mini-vacations; facilitated bookings, instant cost comparison of potential trips.

Entertainment Events: Sports, movies, music improved through online streaming. Three-dimensional avatar like productions bring 3D action into personal space. Imagine football quarterback grabbing the snap, throwing the pass, all next to viewer in personal space.

The distant, meta-verse is not a seamless place... yet. Much of it is currently related to visualization and gaming. There are disparate dominating companies involved such as Facebook, Microsoft and Amazon and Google, as well as communication companies working with 5G, chip companies improving the computer, robotics companies, machine learning companies, cloud companies, all

getting into the action. The next step focuses on integrating all this talent and product to combine real-world with digital world.

So, back to the question: Does it impact real estate? Clearly!! In the meta bizarre department, some real estate investors/developers are actually purchasing “virtual” land and buildings in order to “develop” uses. Blockchain is used to certify title and establish rights for use. So intriguing, I will dig into this next month. There is much more to understand and embrace. Fortunately, we have time to embrace the concepts, as the implementation is 5 to 10 years away. That said however, this is not a pipe dream. This is billions of dollars being spent in a future that is mostly inevitable. Stay tuned for Phase III of the metaverse trilogy!

Daniel Calano, CRE, is managing partner and principal of Prospectus, LLC, Cambridge, MA.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540