

LUXURY MEMO SPECIAL REPORTS

Digital in real estate Luxury Memo special report

July 25, 2019



Sotheby's new AR app gives customers a better look at what their homes could look like. Image credit: Sotheby's International Realty

By SARAH RAMIREZ

Luxury real estate firms and brokerages are embracing digital tactics to better reach clients as affluents continue turning to online resources.

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From online marketplaces to augmented reality and voice assistants, firms leverage a wide range of strategies to entice real estate buyers. Companies also look to mobile applications and internal digital platforms to enable their agents to better reach the next generation of real estate investors.

"We've been putting big data and predictive analytics to work for our agents since 2015," said Charlie Young, president/CEO of **Coldwell Banker Real Estate LLC**, Madison, NJ. "We're investing in new technology at an astounding rate.

"With our scale and size, we're continuing to revolutionize the home buying and selling process," he said. "It's no surprise that the products we've had the most success with are the ones that solve real pain points for our agents and their clients."

Top 5 trends in digital real estate

- **Vivid visualization**
From drone videos and 3D house tours to augmented and virtual reality, firms want prospective buyers to view their future homes from anywhere with Internet access.
- **Agent empowerment**
Brokerages are creating more digital tools for agents to optimize and personalize their marketing materials.
- **Social savvy**
More homebuyers and sellers are looking to social media to find agents and firms to work with during their real estate journeys.
- **Mastering mobile**

Mobile applications streamline real estate processes for agents, sellers and buyers.

- Home around the world

As real estate investors become more global, companies are looking for new ways to reach audiences worldwide.

The new marketplace

A growing number of homebuyers and real estate investors are starting their property searches online.

As a result, more luxury firms are launching online marketplaces for potential clients to view listings.

Real estate firm Compass is centered on technology, positioning itself as the first "modern real estate platform." The company takes a disruptive startup-like approach to real estate, using technology to reduce pain points in the home buying journey.

In August 2018, Compass acquired California luxury brokerage Pacific Union International, growing its presence in the West Coast. The firm currently operates in upscale markets such as San Francisco, Los Angeles, New York, Dallas and Chicago ([see story](#)).



Ultimately, properties are about how consumers can envision spending their lives in their homes. Image credit: Luxury Portfolio

Pacific Union had previously made its own digital moves, making it attractive for acquisition.

The brokerage launched Private View, a platform where consumers can view the brokerage's exclusively signed properties from the moment ahead of their listing on an MLS. This provided a place for buyers and sellers to connect before the property is widely marketed ([see story](#)).

Some online marketplaces are built off partnerships.

In 2016, Leading Real Estate Companies of the World's Luxury Portfolio International adapted to changing real estate models by establishing a relationship with Concierge Auctions. The relationship signified the growth of the bidding model and helped both parties expand their services to new consumers.

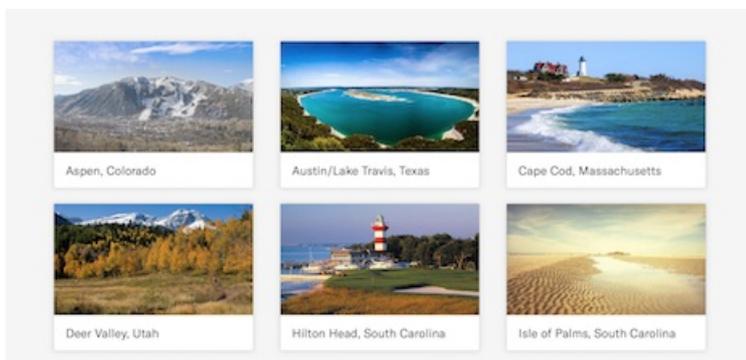
The auction model ensures that the seller receives the highest possible rate, allows sellers ample time and repeat visits to the house, and increases exposure for the agent. By adapting to the change early, Luxury Portfolio shows that its services extend to every aspect of real estate purchasing, including having the newly preferred model ([see story](#)).

Real estate brokerage Douglas Elliman makes it easier for its agents to list properties through a collaboration with Zillow Group's StreetEasy and Bridge Interactive brands. The partnership launched in early 2018 in the New York metro market, where Douglas Elliman is the largest broker ([see story](#)).

Brands that are not traditional players in luxury real estate are also experimenting with online marketplaces.

Private travel club Inspirato is looking to make luxury vacation home ownership more accessible and streamlined for buyers through a new brand.

With the 2018 launch of Inspirato Real Estate, the luxury hospitality company will be able to add properties at a quicker pace, while providing real estate professionals with a curated list of pre-vetted properties. While Inspirato currently offers luxury rentals across the globe, its real estate side is currently focusing on North America, including Mexico and the Caribbean ([see story](#)).



Inspirato has launched its own real estate business. Image credit: Inspirato

More recently, business publication *Bloomberg* is connecting its professional readers with real estate through the launch of luxury listings on its Web site.

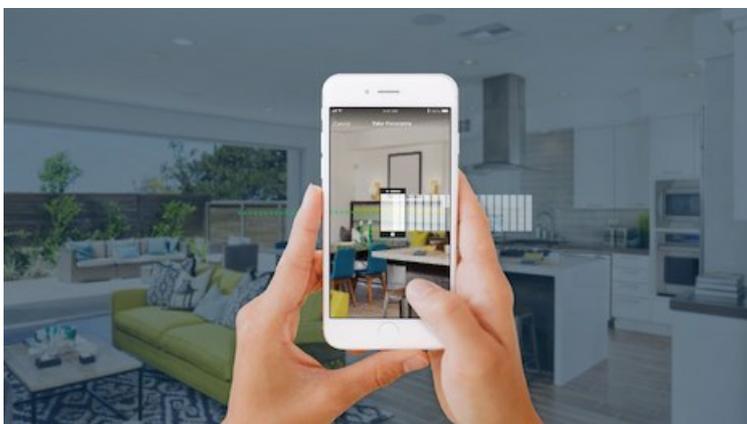
The Bloomberg Pursuits marketplace enables consumers to search for high-end homes in sought-after markets such as New York, Chicago and Los Angeles. For the launch, Sotheby's International Realty Affiliates served as the exclusive sponsor, allowing the brokerage to give its properties a spotlight ([see story](#)).

Retail giant Amazon is also extending its influence to another category with the launch of a new service in partnership with real estate firm Realogy, in a move that will likely disrupt the home market.

Together, the partners are debuting TurnKey, a service that leverages Realogy's position and expertise in real estate with Amazon's retail footprint, to offer an end-to-end experience that starts with the search and ends with a set-up home.

TurnKey is now live on Amazon. The service leans on Realogy's brokerages, including Coldwell Banker, Century 21, Sotheby's International Real Estate and Better Homes and Gardens Real Estate ([see story](#)).

Platforms are also incorporating 3D tours and 360-degree experiences as consumers' real estate browsing habits evolve.



Zillow's 3D Home capture. Image courtesy of Zillow

Real estate marketplace Zillow's 3D Home allows the owner or broker to capture 360-degree photography using a mobile device, which can then be used to create a 3D walkthrough for potential buyers ([see story](#)).

Sotheby's International Realty includes an option to view listings via 3D and virtual reality capabilities in which users can tap around the screen to tour homes of interest. Viewable on smartphones, VR headsets and desktop sites, the Sotheby's 3D tour user experience resembles Google Maps, making it easy on new users ([see story](#)).

"The success of Sotheby's International Realty's technology stems from our emphasis in highlighting what makes a home better than the rest," said John Passerini, global vice president of interactive marketing at [Sotheby's International Realty Affiliates LLC](#), New York. "The brand also introduced virtual reality more than four years ago beating both Realtor.com and Zillow which gave consumers an in-depth visualization experience and led to homes being sold without the consumer physically visiting the property."

Since so much property information is already easily available, online listings can be used to attract attention to homes with flashy photography or engaging copy. Video, often filmed with the help of drones, also helps property listings stand out.

For an upcoming development, Alchemy Properties hired a company to take photos of the building's views via the use of a drone, which can be viewed on a large, three paneled screen, controlled by an iPad in the sales gallery, allowing for a virtual experience ([see story](#)).

"I remember when we removed videos as an option in the mid-2000s, and even up to 2015, but now it's very important to have a drone of the property," said Scott Durkin, president/chief operating officer at [Douglas Elliman](#), New York. "A video experience is better than just a 360 experience from a still photograph.

"The actual video is very important, and the production is quite extensive right now," he said. "The art direction, the staging, the music, the whole experience of the property tour before you even get to see it is quite important.

"It helps you envision yourself living there."

Marketing made easy

More tools than ever before are available to optimize the digital marketing process, allowing agents to better reach prospective clients. Empowering brokers with technology is one of the most important parts of firms' digital strategies.

For instance, Luxury Portfolio International is tapping digital advertising to retarget users who have visited properties on its Web site.

The new tool is custom tailored for Luxury Portfolio by digital advertising provider Adwerx. The goal is help provide associates and clients with listings on its Web site with a way to keep their properties in the minds of interesting homebuyers ([see story](#)).

International real estate brokerage Re/Max also introduced a digital tool to better help its agents reach more discerning home buyers and sellers in a competitive marketplace. With the help of a new video generator, Re/Max agents can make customized videos that reflect the brokerage's national advertising campaign ([see story](#)).

Re/Max agents can use a video generator to make their own ads

Douglas Elliman is working with Imprev to automate marketing for agents across the world.

The service gives Douglas Elliman agents access to a variety of marketing content automatically through the platform. This frees associates to spend more time with clients instead of having to create marketing content for their listings.

"We have a strong relationship with Imprev for all of our marketing materials, whether it be an email blast or drip campaign or actual printed marketing materials," Douglas Elliman's Mr. Durkin said. "It helps the agent individualize their look and their aesthetic."

Digital marketing is also crucial for firms looking to reach Chinese real estate investors.

In 2016, Sotheby's signed an agreement with a local Chinese real estate Web site, Juwai.com, to generate stronger interest in its property listings among affluent buyers from China. Sotheby's has found that China is the second-largest visitor demographic to its real estate Web site, after the United States ([see story](#)).

Similarly, Christie's International Real Estate entered a partnership in 2017 with Chinese digital news portal Zaobao.com to include monthly real estate content in an effort to strengthen ties to its regional audience. Christie's now brands search promotions on Zaobao.com to expand its advertising to the digital pub's readership of Chinese consumers ([see story](#)).



Sotheby's International Realty on China's Juwai.com

Another firm is turning to a popular Chinese social media platform to reach new audiences.

Real estate technology firm REX works to usher in Chinese consumers with a presence on social messaging platform WeChat.

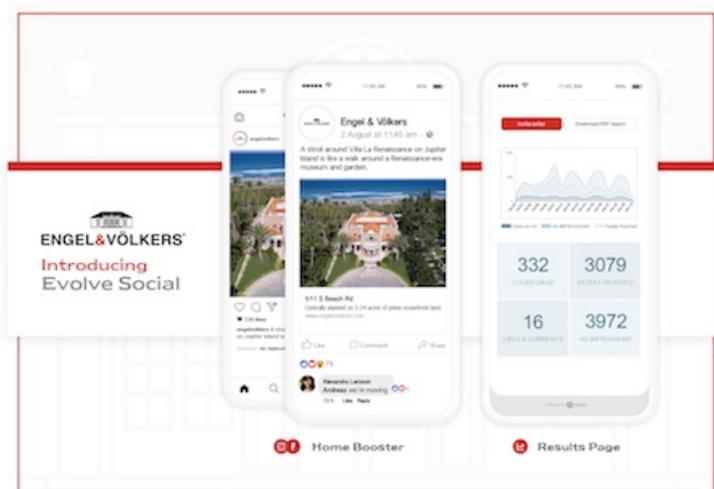
Consumers looking for a home all over the world will be able to use WeChat to search and explore real estate. REX offers an experience that mirrors touring a home in person, so that consumers in other countries will not have to travel to get a first glimpse at featured properties ([see story](#)).

Real estate apps

With affluent consumers having smartphones within arm's reach, social media and mobile applications are another avenue for agents to reach real estate clients.

According to a study by J.D. Power, about half of consumers 47 percent of buyers and 55 percent of sellers will use social media to find agents ([see story](#)).

To meet this demand for social media marketing, real estate brokerage Engel & Völkers launched an artificial intelligence-powered social media advertising solution to better serve its advisors and clients.



AI-powered social media advertising serves agents. Image credit: Engel & Völkers

With Evolve Social, Engel & Völkers can generate leads and engagement levels 13 times higher than industry standard. The platform will help grow Engel & Völkers' presence on Facebook, Instagram and Twitter ([see story](#)).

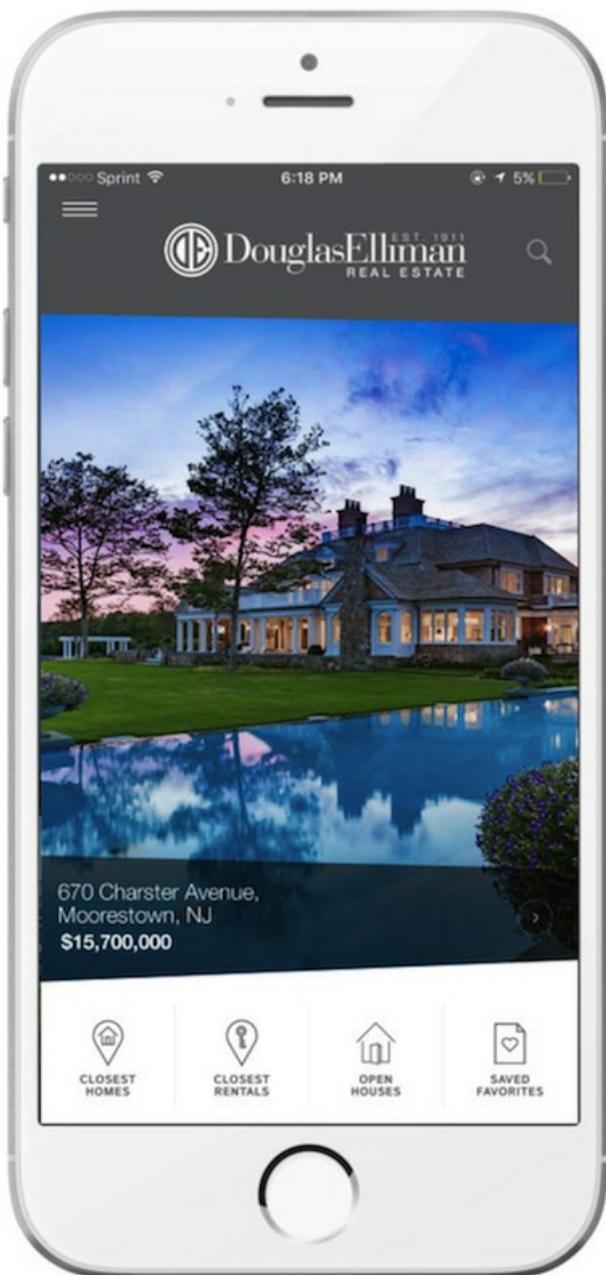
Other real estate firms are also looking to get more out of Instagram.

Real estate brand Aumann Bender & Associated and Sotheby's International Realty hosted their first Instagram Influencer Summer soire last summer.

The event brought together some of the biggest Instagram influencers in the business for a swanky event to promote the listing of a new \$7.75 million home in San Diego. It also featured a live DJ, Champagne, photo booth and a private chef ([see story](#)).

Beyond social media, mobile applications put more control in the hands of realtors as well as customers.

A mobile app for Android and iPhone allows Douglas Elliman realtors access to their own branding. Interested consumers will be able to browse a variety listings on the app while associates will be able to customize their own apps for customers to use as well ([see story](#)).



The Douglas Elliman mobile application

"We have apps that are ready for the agent at any moment, whether they want something to help with customer relationship management or something they need to market," Douglas Elliman's Mr. Durkin said. "It's all helping agents with the perception of being masters of their real estate universe."

Douglas Elliman is not alone in releasing mobile applications to streamline the home buying process.

Compass Markets, available on iOS, offers statistical data on local real estate at the fingertips of consumers and agents alike, eliminating the delay of market reports. Additionally, agents will be able to produce up-to-the-minute market reports based on clients' wish lists, which can then be emailed to clients in PDF form, all with the tap of a few buttons ([see story](#)).

The Q Kapital Group, a Miami-based mortgage lender, released a mobile application designed to help foreign nationals buy and mortgage homes and property in the United States. The app is designed to easily manage mortgages on properties in the U.S. from buyers in other countries, specifically for properties in Miami and New York ([see story](#)).

In a different move, Sotheby's has an Apple TV application.

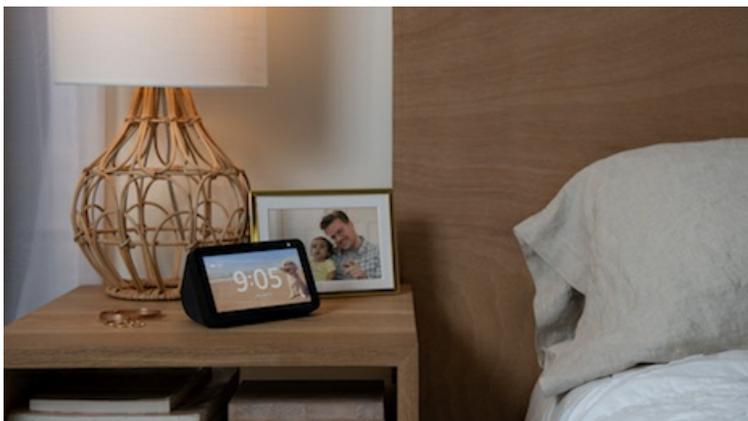
The Sotheby's International Realty app for Apple TV allows prospective buyers to browse almost 50,000 properties on their television screen and take next steps on their favorites. For those ready to make a move on the home, they can contact a sales associate directly from the app ([see story](#)).

Visualizing home

Staying ahead of digital trends, real estate brokerages are also experimenting with emerging technology such as artificial intelligence, augmented reality and more.

Coldwell Banker Real Estate is launching an on-the-go resource for agents to follow real estate news.

The brokerage's second Skill for Amazon Echo's assistant Alexa, Coldwell Banker Gen Blue News, will deliver both Coldwell Banker updates and information on trends happening within the real estate industry ([see story](#)).



Coldwell Banker agents can receive industry news from Alexa. Image credit: Amazon

Coldwell Banker is currently exploring more opportunities with Amazon's Alexa.

"Right now we're piloting a voice-assistant tool, Agent X, with some agents of our Coldwell Banker network," Coldwell Banker's Mr. Young said. "The program, which currently resides on the Amazon Alexa platform, will give users the ability to access their listings, create or look up calendar appointments as well as provide agents with a daily digest that includes top real estate news.

"Since agents are always on the go, they may not have the time to sit down and get the market intelligence and data they need to excel at their jobs," he said. "We knew they needed an easy-to-use voice assistant that would enable them to be more efficient."

For prospective buyers, Sotheby's International Realty leverages augmented reality to give consumers the ability to visualize what a property would look like with various decor styles.

A mobile application called Curate by Sotheby's lets users view a potential home through the lens of their phone and project desired furnishings, wall art and more within the space to see how it would look. Customers can use the app while visiting a Sotheby's property to view what the home would look like with different furnishings and decor ([see story](#)).



Sotheby International Realty's AR home staging app, Curate

"Combining augmented reality with photorealistic virtual staging photography, Curate can help a potential buyer visualize a home's potential, and a seller can quickly and easily stage a home for sale," Mr. Passerini said. "Using Curate on iPhone or Android, users can position furnishings of different styles and functions within the home as you walk through it during an open house or a showing.

"Prior to Curate, agents told us stories of how some homes would be on the market for months with no leads," Mr. Passerini said. "Once they used Curate, they would not only start seeing leads come in, they would go into bidding wars."

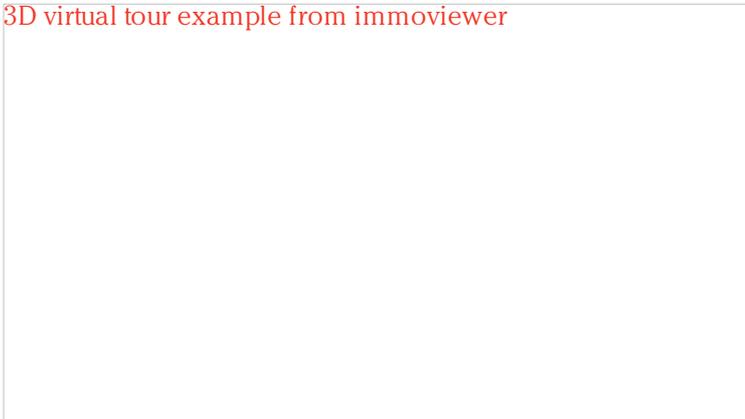
Los Angeles-based architecture firm IR Architects is bringing a digital twist to luxury residential real estate thanks to a new virtual reality project called AVR Studio.

With AVR Studio, customers will be able to view real estate listings in virtual reality, exploring both building concepts that have not been constructed yet and in-progress works to see what they will look like when completed and finished ([see story](#)).

Engel & Vlkers North America also uses virtual reality for homebuyers to view listings without stepping foot into the location of interest.

Google Cardboard viewers are available at each of Engel & Vlkers North America's real estate offices, as well as cameras to record VR video. Virtual reality company immoviewer will also be providing tutorials and educational content for Engel & Vlkers team members to learn how to capture their own VR content ([see story](#)).

3D virtual tour example from immoviewer



3D virtual tour example from immoviewer

Additionally, blockchain and cryptocurrencies are having a larger presence in luxury real estate.

Under a new blockchain initiative, real estate company New Commonwealth offered buyers the chance to purchase a share of one of two highly venerated properties in London, making them more accessible to the average investor. Through blockchain, the firm was able to sell these shares for as low as 500 pounds, or \$688 at current exchange rates ([see story](#)).

In 2018, cryptocurrency trader Michael Komaransky completed a deal for his \$6 million mansion in Miami for 455 Bitcoins ([see story](#)). Later that year, brokers from Sotheby's International Realty listed a California home for more than \$6 million, with the seller allowing buyers to pay with Bitcoin, Ethereum or Ripple ([see story](#)).

Although firms and brokerages are adopting technological innovations at a faster rate, relationships still lie at the heart of real estate.

According to J.D. Power, first-time sellers and buyers cite a firm's reputation as the top reason for selecting which company to work with. Repeat sellers and buyers instead consider personal experience with realtors ahead of company reputation ([see story](#)).

"You have to be aware of how people are shopping and what they expect from the home buying experience," Douglas Elliman's Mr. Durkin said. "We know our customers are our agents, so we are designing all of our platforms around our agents because there's no better audience than them because they're on the front lines of their customers, which are the buyers and sellers."

Best practices for digital in real estate

- Charlie Young, Coldwell Banker Real Estate

- "The luxury consumer is expecting exceptional levels of service, but they're also expecting their agent to use the best technology. I think the best place to start is to analyze your pain points and find a tool or a brand that provides technology solutions that solve your issue."
 - "We believe at Coldwell Banker that technology should empower agents, not replace them, and that the right tech has the power to improve the entire transaction process for consumers as well."
 - Scott Durkin, Douglas Elliman
 - "The media that we have in terms of the photograph and floor plans and virtual tours that's what people really want to see from an agent. They want to see the property. They don't want to see a lot about the agent and their successes. People want pictures, they want static photographs."
 - "Now people really want to watch videos. You have to be careful because you don't want to make them too long and give people a reason not to come see a listing. You don't want to show every nook and cranny of the home leave something to surprise them with when they arrive."
 - John Passerini, Sotheby's International Realty
 - "Best practices should always start with a focus on quality. Sotheby's International Realty and its nearly 23,000 real estate professionals in 72 countries and territories worldwide are held to a high standard when marketing a home. We ensure high quality by creating a style guide for marketing a home. This guide encompasses everything from photography, videography, virtual reality, augmented reality, to copy."
 - "We built a quality control platform where we combine automated quality control checking systems with human review of photography and video. These quality tools, coupled with the digital tools to generate exposure for listings, are fundamental to expertly marketing a home, and to an agent's success."
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