

Metaverse and its application in the Real Estate sector

The technology industry has been the source of many jargons and buzzwords. The one that has been creating the buzz lately is the concept of metaverse. Due to the probability of its adoption in real-life problem solving, creating immersive experiences, academics and research, it has caught the attention and imagination of technology giants, technopreneurs, techies and venture capitalists. Recent interest in metaverse development is shaped by breakthroughs in Web3 which is an ideation for a new World Wide Web incorporating concepts such as decentralization, blockchain technologies and token-based financial economy.

This term was first coined by Neal Stephenson, in his science fiction novel 'Snow Crash' published in 1992. He pictured the future where the internet evolved into the fully immersive virtual reality known as the metaverse.

The metaverse is the virtual reality space, where users can enter with their avatar and engage in a shared and immersive experience. Avatar is a graphical representation of a human and used as virtual identifier in a variety of ecosystems, including metaverse.

Building metaverse demands discovery through various research, analysis, consultation, peer learning, etc. Thorough discovery helps in designing the Concept. Concept that describes what is the purpose of the metaverse, what are the expected features, what are the expected flows/navigations, what are the expected benefits, who is the target audience, and how will it be accessed.

To realize the concept, build the infrastructure to create and operate metaverse. Build virtual environments with 3D models or similar visual elements. And eventually build features and functionalities as per the concept.

To access the metaverse, today variety of channels are there like websites, virtual reality, augmented reality, mixed reality using virtual reality headsets, motion sensing controllers, voice controllers, smartphones and computers.

The younger generation has grown up with social media and online gaming, hence they are fascinated by the social aspects of the metaverse. However, metaverse provides a variety of experiences ranging from gaming, virtual workspaces, real estate, shopping, and others. Beyond online gaming and social media, the Metaverse finds its real-world applications in improving customer interface and experience, digital twin operations, targeted advertising, storytelling, launching new digital products, organizing digital events, digital wallets, immersive classrooms, remote robotic surgery, 360° virtual tours, etc. In corporate offices, the Metaverse can be useful in organizing virtual meetings, global summits, town halls, training new employees, online collaborations / brainstorming, team building, etc.

In the Real Estate industry, Metaverse offers numerous applications. Some of the path-breaking applications are as under:

- Improving user experience through immersive property tours, thus saving time and money of the buyers/ renters & sellers/developers
- Creation of virtual properties for the commercial purchase and sale
- Creating 3D models of the construction projects by utilizing digital twins
- Management and maintenance of residential, commercial, and industrial properties by the owners or administration teams, including on-site supervision staff
- Completing financial transactions using blockchain and non-fungible tokens (NFT)
- Facilitation of social interaction between residents through virtual community centers or shared virtual gardens
- Personalized advertising campaigns

As of now, as far as the real estate industry is concerned, the Metaverse adoption is still in its initial stages. While there has been some experimentation with virtual and augmented reality tools for showcasing properties, the adoption of Metaverse across the board has not been materialized. Some of the challenges faced in adoption of the Metaverse are:

- Data and security of users and their activities in the Metaverse.
- Enactment of laws for regulating transactions done using the Metaverse.
- Applicability of laws and jurisdiction of court of law in case of cross-border transactions.
- Legal recognition / acceptability of payment systems using cryptocurrencies and Non-Fungible Tokens.
- Lack of clarity on ownership, possession, and control of underlying property.
- Non-standard / user-dependent perception of time and space in the virtual world.
- Establishing trust relationship / legitimacy / authentication in terms of identity and reputation.
- Potential for financial crimes, fraud, data theft, counterfeiting, ransomware, phishing, sextortion, child abuse, harassment, etc. committed in or using technologies of the Metaverse.
- User addiction.
- User safety; etc.

The Metaverse offers exciting possibilities for the real estate industry. As technology continues to evolve, we can expect to see even more innovative usage of the metaverse in real estate sector. This can range from virtual property auctions to entirely new forms of property ownership.

While there are still many questions to be answered about the practical implications of the Metaverse, this technology has the potential to transform the way we market, buy, sell, and manage properties in the years to come.

As the technology becomes more accessible and affordable, we can expect to see more innovative applications of the Metaverse. The aim will shift more towards personalized marketing to attract and target huge audiences.

Overall, the concept of metaverse is still in an emerging phase. A lot of innovation, integrations and governance is still awaited to achieve the maturity phase, where we see metaverse seamlessly integrated across all aspects of our life.

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