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Buying A Home Sight Unseen Is Easier Than Ever—and More Common

It takes a confident buyer to purchase a house without stepping foot in it first. Advances in virtual reality and other technology have taken away some of the surprises.

The first time Angelo Smyrnios pulled up in front of a Mediterranean-style home with a red-tiled roof and palm trees in Lighthouse Point, Fla., he got out of the car and said, “OK, let’s go see the \$1.65 million house I just bought sight unseen.”

It takes a confident buyer—and a trusted real-estate agent—to purchase property without a first-hand visit. Would-be buyers can always peruse listing photos and videos online, and Google Earth offers views of the neighborhood. But to avert some of the surprises of a long-distance listing, agents are increasingly walking clients through properties via FaceTime, Skype or WhatsApp, or even making custom videos. Real-estate brokerages and a crop of new technology companies are creating three-dimensional photographic and video tours, which can be viewed in virtual reality.

Mr. Smyrnios and his wife, Lisette, began searching for a home in Lighthouse Point at the beginning of the year, after deciding to relocate from Littleton, Colo., to be closer to Ms. Smyrnios’ mother. They visited the area three times, viewing property with their agents, Lisa and John Wilson of Douglas Elliman Boca Raton. In April, the Smyrnioses were busy packing up their home—and Ms. Smyrnios was about to leave for a business trip—when Ms. Wilson called to tell them about a house she thought was ideal for them.

The Wilsons gave the couple a 45-minute tour of the property using Apple’s video-calling service FaceTime. They held up an iPhone and narrated as the Smyrnioses directed them to parts of the house they wanted to examine further. Ms. Wilson also rode on the back of a motorbike, with Mr. Wilson driving, and FaceTimed the neighborhood for Ms. Smyrnios. The Smyrnioses researched crime statistics and other quality-of-life issues on Areavibes.com. Ms. Smyrnios’s mother also came to look at the house—a visit the couple also observed via FaceTime—and gave her thumbs-up.

When they first arrived, “I liked it even more in person,” said Ms. Smyrnios, a 49-year old executive for a consulting firm.



The kitchen in Laurie McNally’s East Hampton, N.Y., house, which was purchased for \$870,000 sight unseen. PHOTO: DOROTHY HONG FOR THE WALL STREET JOURNAL

Last summer, Laurie McNally signed a contract to buy a weekend house close to the beach in East Hampton, N.Y., paying \$870,000. Not only had Ms. McNally not seen the house, but when her real-estate agents, Chris Chapin and Raymond Lord of Douglas Elliman, called to tell her about it, she was at a mind-and-body health retreat in San Diego and lacked access to a computer. Phone use was limited to a few hours each night.

“They sent a couple of pictures and a description,” which she looked at on her cellphone, said Ms. McNally, a finance executive who lives in Ardmore, Pa. Advised she needed to move quickly, “I went on trust,” Ms. McNally said.

She put down a 10% deposit, customary in New York state real-estate transactions when she signed the contract. Had she decided she didn’t like the property upon seeing it, “she could not have backed out without losing her deposit,” said Mr. Lord.

“Sight unseen” offers on family homes are on the rise, according to Redfin, a national real-estate brokerage. In a survey of 1,334 recent home buyers in 11 major metropolitan markets, 33% said they had made an offer on at least one house “sight unseen.” In previous surveys, Redfin found that about 20% of buyers said they had bid on houses they had never seen.

Agents say blind bids are more common in hot markets where homes sell quickly, as well as in places that are popular with overseas buyers.



Angelo and Lisette Smyrnios bought this Lighthouse Point, Fla., home in May for \$1.65 million. They saw it for the first time a few days before closing. PHOTO: ALEXIA FODERE FOR THE WALL STREET JOURNAL

Sotheby’s International Realty adopted 3-D photography in September, and now about 10% of its listings include 3-D photo tours. About 5% of the company’s 880 offices world-wide currently have virtual-reality viewing areas, where clients can view 3-D property pictures on a screen or while wearing VR headsets. In five years, the company should have such viewing areas in every office, said John Passerini, global vice president of interactive marketing for Sotheby’s .

VirtualAPT, a Brooklyn-based technology company that launched last year, invented a robot that films virtual tours in 3-D. The robot records a real-estate agent guiding a tour of a property, as though showing it to a live person, and produces a video within 15 minutes, said chief executive Bryan Colin.

Both Mr. Passerini and Mr. Colin said the goal of such tours is to facilitate sales of real estate to people who cannot travel to see properties and to minimize time spent on a search.

Today, 3-D tours are more commonly seen on high-end listings that have larger marketing budgets; Mr. Colin's tours cost \$1 per square foot, so a 3,000-square-foot home would cost the real-estate agent \$3,000. Although viewing 3-D tours while wearing a virtual reality headset best imitates the live experience, consumers resist putting on VR headsets, even when they are provided free, real-estate executives say. Any extra technical steps are turnoffs to consumers. VirtualAPT tours require just clicking on a link, because Mr. Colin said wealthy real-estate buyers dislike downloading apps.



Matthew Knouff, right, made an offer on a house in Bronxville, N.Y., while he was away on business in London. His real-estate agent, Dex Lipovic, left, helped him close the deal. PHOTO: DOROTHY HONG FOR THE WALL STREET JOURNAL

While Matthew Knouff was vacationing in Italy, his real-estate agent called to tell him about an apartment in Brooklyn's Williamsburg neighborhood that met all his criteria: It was a one-bedroom with a view, in a building with a pool and a screening room. While soaking in a pool on the Amalfi Coast, Mr. Knouff, a 37-year-old data-privacy consultant, toured the property on FaceTime with his agent, Dex Lipovic of CORE. Upon hanging up, Mr. Lipovic shot video with his iPhone and a DJI Osmo attachment, a video stabilizer that keeps the phone steady for a better-quality video. Mr. Knouff went into contract for \$1.125 million without ever having visited the apartment.

Last year, while Mr. Knouff was in London for work, Mr. Lipovic provided a FaceTime tour of a house in Bronxville, a community just north of Manhattan. Mr. Knouff bought the property for \$1.175 million and is currently renovating it as he decides whether to move in or resell.

Mr. Knouff thinks there's a benefit to remaining a step removed, explaining that on a brief visit to a property, a bad mood, an anomalous smell or noise or some other unimportant detail could make him dismiss a property with potential. "My bias could impact me in a negative way," said Mr. Knouff. Sight unseen "for me is the easiest way to purchase," he said.



Matthew Knouff made an offer on this house in Bronxville, N.Y., while he was away on business in London. DOROTHY HONG FOR THE WALL STREET JOURNAL



Mr. Knouff asked his real-estate agent, Dex Lipovic of CORE, to FaceTime him while touring the house. Mr. Knouff had previously bought a Brooklyn apartment, sight unseen, through Mr. Lipovic. DOROTHY HONG FOR THE WALL STREET JOURNAL



The interior of the Bronxville home, which Mr. Knouff is currently renovating. DOROTHY HONG FOR THE WALL STREET JOURNAL



*A blueprint shows Mr. Knouff's renovation plans. DOROTHY HONG FOR THE WALL STREET JOURNAL
Laurie McNally, in white blouse, and her daughter, Nicole Goodman, on the porch of the East*



From the left, Mr. Lipovic, Mr. Knouff with his son James in front of the house. DOROTHY HONG FOR THE WALL STREET JOURNAL



Most home buyers wouldn't dream of pulling the trigger on a purchase without multiple visits. But some luxury home shoppers make offers even though they have never been to the property. Photo: Dorothy Hong for The Wall Street Journal