

MIDDLE MARKET
Growth // CONVERSATIONS

WHY PE REAL ESTATE
INVESTORS NEED TO USE

**VIRTUAL
REALITY**



Sponsored by



MERRILL
CORPORATION
SECURE SUCCESS

WHY PE REAL ESTATE INVESTORS NEED TO USE VIRTUAL REALITY



INTERVIEWER

DEBORAH L. COHEN

Editor-in-Chief, *Middle Market Growth*

WHY PE REAL ESTATE INVESTORS NEED TO USE VIRTUAL REALITY



GUEST

TAYLOR CUPP

Technologist, Mortenson

Industry Benefit

M

Medical

Facility operations far exceed the cost of construction. VR in healthcare is about optimizing the function of facilities.



S

Sports

Collegiate recruiting sees great value in leveraging virtual reality to engage recruits. Professional sports organizations are seeing results in VR for sales.

A

Academic : Higher Ed.

Solidifying funding by portraying the vision for a project has high value in academia.



M

S

A

H

H

Corporate

Lobby and reception areas are key to the success of many corporate projects. Physically mocking up these areas are difficult if not impossible.



Project ROI

01

SANFORD HEALTH

\$675,000 in cost avoidance medical device relocation alone

02

ATLANTA BRAVES

Avoided \$1.7 million in maximum cost exposure across 30 suites. Prevented 8-10 week potential schedule delay.

03

CONFIDENTIAL : HALLWAY MOCKUP

\$43,000 in savings through mockup elimination



Total Cost of Building Ownership

FINANCING

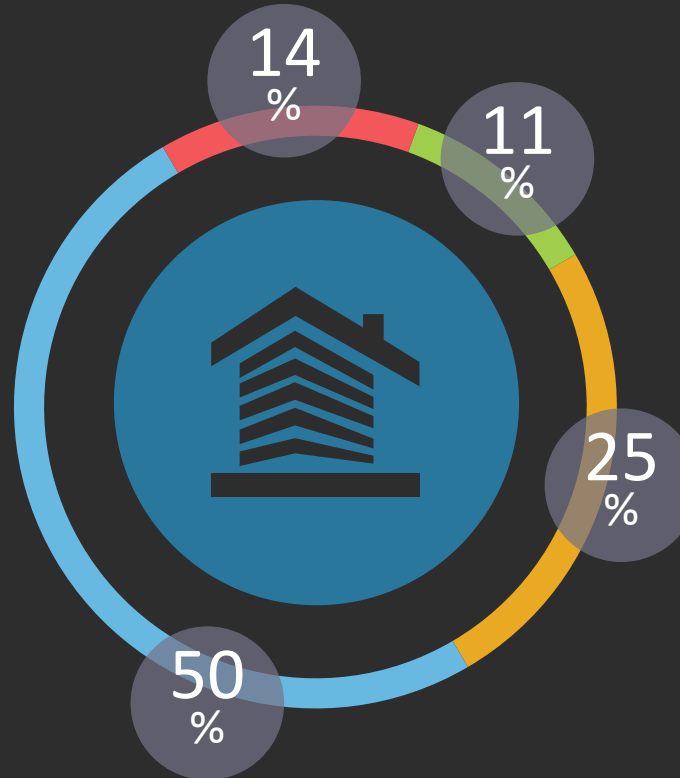
\$\$\$

Financing varies greatly from project type to project type.

OPERATIONS

TIME

Building operations spans the longest time and has the highest cost in total building ownership.



Construction

DESIGN & BUILD PROCESS

30% waste has been documented in this process.

ALTERATIONS

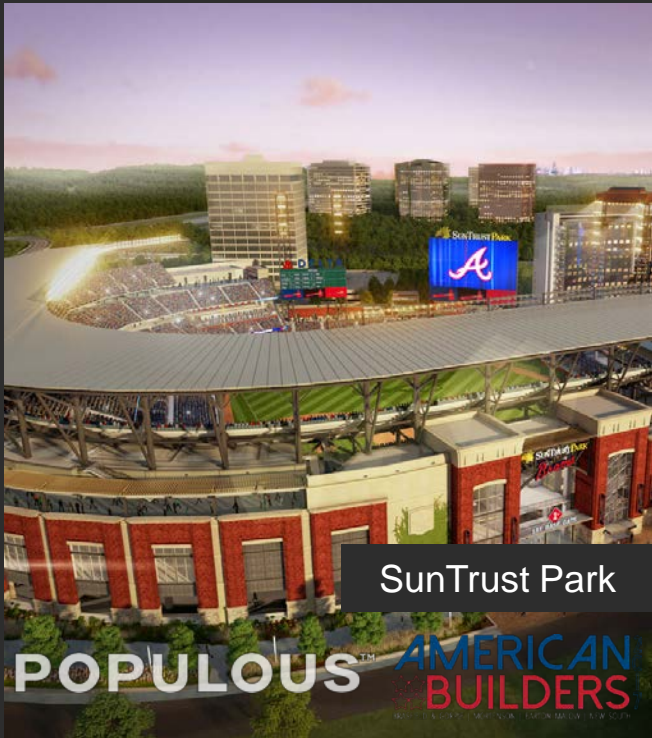
EVOLUTION

Every building requires upkeep and alterations due organizational changes.



Atlanta Braves

Project ROI



Design Review



Design Validation



Revenue Generation



Plaza decks and premium lounges experienced during the design phase.



Avoided **\$1.7 million** of exposure and prevented **8-10 weeks** of potential schedule delay.



Premium spaces and suites environments used to **accelerate ticket sales** and provide a superior fan experience.



Case Study : Virtual Reality Mockup

Physical Mockup

\$76K

530 Labor Hours

3 month build/review/refine schedule

59% Non-Reusable Waste to Landfill

No Downstream Value

Background

The project aimed to replace the contractually required physical mockup with a VR mockup in order to redirect cost savings to value add for the delivery of the project.

VR Mockup

\$33K

200 Development Hours

2 week development, immediate refinement

No Waste

Extensive Downstream Value

Approach

Leverage VR technology in order to better engage stakeholders to make faster, better informed decisions while saving time, money and eliminating project waste.

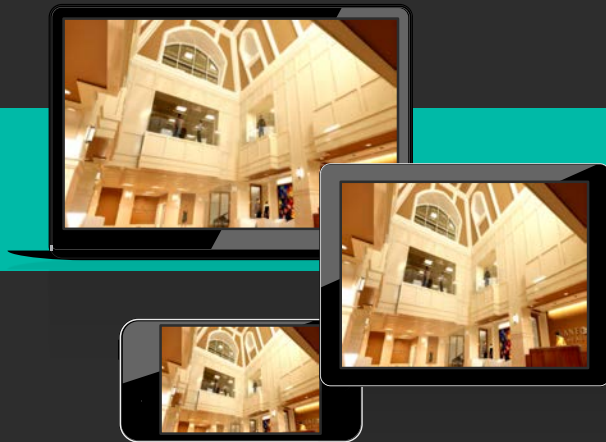


Result

After review, the interior designer and customer elected to forgo building the physical mockup, resulting in a cost savings to the project.



The Cost of Virtual Reality



**\$100-
\$10,000**



Advanced VR Software Development

Prices vary greatly based on the requirements, starting at as few \$100 ranging into the thousands.

Virtual Reality Hardware

HMD Setup (Rift/HTC Vive) and VR capable computer.



**\$3000
+**

\$\$\$



Knowledge Base

The learning curve to creating complex VR environments is currently steep but becoming easier.



The highest value virtual reality comes at no cost when made part of the design and build process.

\$0.00



Considerations

Virtual Reality is becoming more affordable and more immersive with the consumer adoption of the technology.



MIDDLE MARKET
Growth // CONVERSATIONS

Thank You!
QUESTIONS?



Sponsored by



MERRILL
CORPORATION
SECURE SUCCESS