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**Transforming the  
Property Landscape:  
The Powerful Impact of Mixed  
Reality on Real Estate**



**In the ever-evolving landscape of the built environment, the advent of mixed reality (MR) technology and spatial computing, heralded by industry giants such as Meta and Apple, marks a significant inflection point. As we witness an unprecedented integration of digital and physical realms, the implications for real estate and the built environment are both profound and transformative. This intersection of technology and physical space not only challenges our traditional perceptions of real estate but also opens up new avenues for innovation, value creation, and human-centric design.**

**The MR market is expected to expand from ~USD 2 billion in 2023 to an astounding USD 2,512 billion by 2035, at**



## Real Estate as a Canvas for Digital Expression

With the uptake of MR technology, real estate is poised to transition from being merely a physical container of activities to a dynamic canvas for digital expression. This transformation suggests a future where physical structures serve as platforms for immersive digital overlays, allowing individuals to customize their surroundings according to personal preferences, needs, or moods. Imagine walking through a vacant office space and using MR glasses to visualize different interior designs, layouts, and furniture arrangements in real-time. In this scenario, the intrinsic value of a physical space may increasingly be determined by its compatibility and adaptability to digital enhancements, rather than its material characteristics alone.

**a compound annual growth rate (CAGR) of ~78%,<sup>1</sup> underscoring the burgeoning relevance of this technology in reshaping industries, including real estate.**

**The integration of MR into our daily lives is more than a technological novelty; it represents a paradigm shift in how we interact with our surroundings. By superimposing a digital tapestry over our perception of the physical world, MR technology allows for a personalized and enhanced experience of space. This seamless blend of virtual and real elements not only enriches our sensory experiences but also significantly impacts the functionality, value, and perception of physical spaces.**

This shift challenges the real estate industry to rethink the design, development, and management of built environments. Architects, designers, and developers can showcase their vision to potential buyers or tenants, allowing them to experience the space before it's even built or redesigned. They will need to embrace a more fluid and flexible approach to space creation, one that accommodates the integration of digital elements from the outset. This entails not only the incorporation of advanced technological infrastructure but also a design philosophy that prioritizes adaptability, interactivity, and user personalization.



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## The Evolution of Real Estate as an Enabler of Digital Transformation

Far from rendering physical real estate obsolete, the rise of MR technology underscores its evolving role as an enabler of digital transformation. MR technology is reshaping every stage of the real estate lifecycle. For instance, architects & engineers can use MR to collaborate on designs in a virtual environment, identifying potential issues before construction begins. Physical spaces are set to become more connected, intelligent, and responsive, acting as interactive platforms that enhance the MR experience. This evolution will require a concerted effort to modernize existing real estate assets and infrastructure, making them conducive to digital integration.

The development of smart buildings and cities, equipped with IoT devices, sensors, and advanced connectivity solutions, exemplifies this trend.

These technologies not only facilitate the deployment of MR applications but also enable buildings and urban spaces to adapt to the changing needs and preferences of their occupants in real-time. Consequently, the real estate industry has a unique opportunity to drive the adoption of MR by creating environments that are not just physically accommodating but are also digitally immersive and engaging. Further, MR can help at the back end in building management as well. For instance, property managers can leverage MR applications to monitor building systems and perform maintenance tasks more efficiently. By integrating MR into existing workflows, real estate players can streamline operations, reduce costs, and improve overall productivity.



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## Unlocking New Value Streams and Business Models

The adoption of MR technology in real estate unlocks a myriad of monetization opportunities, particularly through the development of bespoke applications that enhance the functionality and appeal of physical spaces. Landlords and developers have the potential to partner with technology providers to create immersive experiences that can be monetized directly or used to attract a higher caliber of tenants and visitors. Furthermore, the data generated through the interaction of individuals with MR-enhanced environments presents valuable insights for real estate owners, operators, and occupants. This data can inform better decision-making regarding space utilization, energy management, and occupant well-being, among other aspects. Consequently, real estate stakeholders are positioned to not only capitalize on the direct benefits of MR technology but also to harness the power of data analytics for operational optimization and strategic planning.

For instance, retail and entertainment venues can leverage MR to offer highly personalized and interactive customer experiences, thereby enhancing engagement and loyalty. Similarly, workplaces can utilize MR to foster collaboration and creativity among employees, regardless of their physical location.

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## Forecasted Market Growth and Strategic Implications

The projected growth of the MR market, with estimates suggesting a leap to USD 2,512 billion by 2035, illustrates the scale of opportunity at hand. This exponential growth trajectory indicates a swiftly expanding demand for MR applications across various sectors, including real estate. As such, industry stakeholders must proactively embrace MR technology, investing in the necessary infrastructure and capabilities to support this digital transformation.

For real estate professionals, this means not only rethinking the design and functionality of spaces but also exploring innovative business models that leverage MR to create value. Whether through enhanced user experiences, new service offerings, or data-driven optimizations, the integration of MR technology offers a pathway to differentiate and future-proof real estate assets in an increasingly digital world.

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## A Call to Action for Industry Leaders

As we stand at this pivotal juncture, it is incumbent upon industry leaders, including architects, developers, and consultants, to champion the integration of MR technology into the built environment. This requires a forward-thinking approach that embraces innovation, invests in digital infrastructure, and prioritizes the creation of adaptive, user-centric spaces. Moreover, it necessitates a collaborative effort among technologists, designers, and policymakers to establish standards and guidelines that ensure the responsible and equitable deployment of MR technology.

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## Conclusion

The intersection of mixed reality and real estate marks a pivotal moment for the industry. Far from diminishing the importance of physical space, the advent of MR technology highlights the evolving role of real estate as an enabler and beneficiary of digital innovation. By embracing this shift, real estate stakeholders can unlock new value streams, engage users in unprecedented ways, and play a central role in the digital transformation of the built environment. The journey towards MR-enhanced real estate is not without its challenges, requiring strategic investments, cross-sector collaborations, and a commitment to innovation. However, the potential rewards—a more adaptive, engaging, and valuable built environment—underscore the imperative for action. As we look to the future, the convergence of digital and physical realms through MR technology promises to redefine our experiences of space, offering a glimpse into a new era of immersive, personalized, and dynamic environments. For more insights on digital transformation in real estate and new revenue models, please refer to our report [Future of real estate: Shift to phygital](#).

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## Endnotes

1. GlobeNewswire, "Mixed Reality Market revenue to hit USD 2512 Billion by 2035, says Research Nester," February 7, 2024.
2. Ibid.



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