

Understanding crypto's potential future effects on the housing market

Financial innovations such as cryptocurrency, blockchain technology, NFTs, and even the metaverse, are already changing the real estate market in the US. Here's why it's worthwhile gaining an understanding of this new digital landscape before its popularity spreads to South Africa's shores.



Source: www.pixabay.com

Despite many still being unfamiliar with its concept and uses, [crypto is already present in the real estate space](#) in some places across the globe. Though, according to Tony Giordano, entrepreneur, cryptocurrency expert and CEO of Giordano Industries, it's so valuable right now that consumers may want to think twice before using it to buy a home. Instead, he shares, some banks are giving out loans based on one's crypto assets.

To accommodate the increasing interest from consumers, Sam DeBord, CEO of the Real Estate Standards Organization (RESO), suggests agents prioritise becoming familiar with the process of using digital currency to buy a home. "I think for most folks, they just want to talk about: What does it do for my business? Are my customers going to come ask me, 'Can I list a property for crypto? Can I buy a property with my Bitcoin?' And you should have concrete answers for that."

Nick Bailey, Re/Max LLC president and CEO in the US, notes that being in its early stages, the role of crypto in real estate right now is a bit of an uncharted territory. Options like an NFT and other digital tokens could become the norm for simplifying the process of legally transferring the deed of a home from seller to buyer, but there are still challenges to overcome before this can happen.



Bitcoin to hit fresh all-time high as institutional investors get more access

8 Aug 2022



How it all works

For now, it is worth just taking the time to understand what sorts of cryptocurrencies exist and how it all works. For those

unfamiliar with these terms, cryptocurrency is a digital currency mined virtually and a blockchain is the technological system that supports cryptocurrencies and acts as a digital ledger. While a few types of crypto have joined everyday vernacular, there are actually thousands of cryptocurrencies and counting.

Giordano breaks down the process of mining for specific currencies by comparing it to gold mining. “Just like mountains are mined for gold and the value is given to it from humans because of how hard it is to find and the resources it takes to find it, Bitcoin is in the ‘digital mountains’. And because they mined for these astronomically long numbers called hexadecimal, when they find one, [we] give it its value just like gold.”

As complicated as this may sound, regional director and CEO of Re/Max of Southern Africa, Adrian Goslett, says that it is useful to gain somewhat of an understanding of these things in case they become more prevalent in the future.

“South Africans are still quite far away from trading cryptocurrencies for homes as the norm. There would have to be greater and more equal opportunity to access technology before crypto can really take off here. That being said, it is always useful to stay informed so that you can be prepared for whatever might lie ahead,” he concludes.

For more, visit: <https://www.bizcommunity.com>