

REAL ESTATE

Bitcoin's real estate acceptance bodes well for cryptocurrencies' future in luxury

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A home in California was recently listed for \$6 million in Bitcoin by Sotheby's International Realty. Image credit: Sotheby's International Realty

By DANNY PARISI

Despite some trepidation based on the wildly fluctuating value of Bitcoin, cryptocurrency is swiftly rising to prominence in many areas of the luxury world.

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High profile luxury real estate sales made through cryptocurrencies have massively expanded popular perception of how useful they can be among wealthy elites. With luxury apartments in New York and sprawling luxury homes in California going on sale for Bitcoin, it is clear that the cryptocurrency's place in luxury real estate has been cemented, paving the way for further adoption in other sectors of the high-end market.

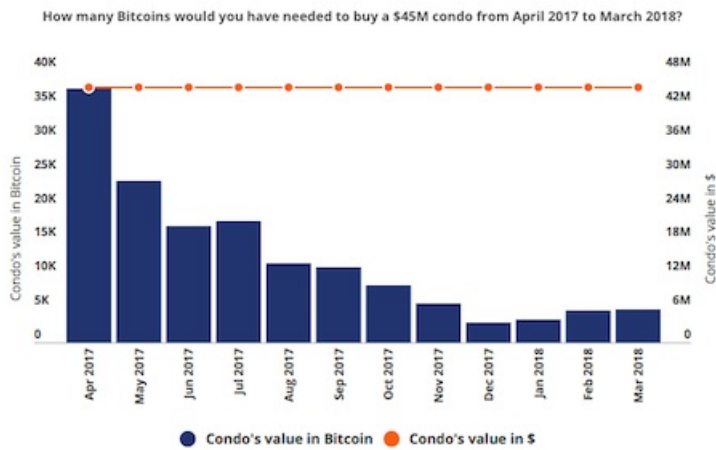
"I am optimistic about the cryptocurrency ecosystem and about the potential of developing a viable store-of-value alternative to fiat currencies," said Hank J. Holland, who is selling a luxury home through Bitcoin in California with the help of Sotheby's International Realty.

Buying with Bitcoin

In Belvedere, CA, brokers from Sotheby's International Realty just put a home on the market for more than \$6 million, with the seller allowing buyers to pay with Bitcoin, Ethereum or Ripple.

This sale is one of the largest of its kind, showcasing how the wealthy elite in the country have taken to cryptocurrencies as a safe, untrackable currency for making big-ticket purchases.

A similar occurrence happened in March when two luxury condos in a wealthy neighborhood of Manhattan were traded exclusively through Bitcoin.



Bitcoin's fluctuations over just one year. Image credit: PropertyShark

These high-profile sales show that for many affluents, Bitcoin and cryptocurrency in general are a safe bet.

But the volatility of the Bitcoin market can make trading in it complicated. For example, PropertyShark found that the same number of Bitcoins that could have bought a \$45 million home in April of 2017 could buy 13 similarly priced homes by the end of the year.

This is due to Bitcoin's explosive growth over the course of last year, with exchange rates fluctuating wildly. However, for those willing to take the risk, Bitcoin seems to remain an enticing option.

Growing prominence

In addition to making use of existing cryptocurrencies, some luxury brands and retailers have even begun experimenting with their own versions of cryptocurrencies.

For example, luxury watch database Chronobase recently closed the pre-sale period of its BASE Tokens. The platform has sold 3.5 million BASE Tokens in pre-sale, with more expected to be sold when its full sale period begins on May 11.

After that, customers will be able to use BASE Tokens, which are purchasable with USD, Bitcoin or a number of other cryptocurrencies, to purchase products and services from Chronobase.

Luxury car dealership L'Operaio in Japan is also helping to usher Bitcoin into the high-end auto industry, as the cryptocurrency becomes increasingly accepted across retail.

BitFlyer, a Japanese cryptocurrency exchange platform, announced the partnership with the dealership that will allow customers to pay up to \$1 million in Bitcoin. The cryptocurrency is growing exponentially since investments in Bitcoin have been paying off ([see story](#)).



Denison has begun selling yachts for Bitcoin. Image credit: Denison

As cryptocurrencies such as Bitcoin continue to grow in prominence, more members of the fashion world are beginning to accept them, potentially leading to a significant change in how luxury items are purchased in the future.

One of the latest groups to accept Bitcoin is FashionTV, the digital television channel focused on fashion news and insights. As cryptocurrencies continue to take hold among wealthy consumers, particularly newly wealthy people in the tech industry, luxury brands are beginning to embrace cryptocurrency as a legitimate tool ([see story](#)).

Just as the luxury world was beginning to embrace Bitcoin, the cryptocurrency began experiencing wild swings in value.

For a few weeks last year, Bitcoin's value fluctuated severely, dropping 50 percent in one day only to rebound to a greater price than ever before. While the fluctuations may make some wary of investing, luxury brands seem to be confident in the use of Bitcoin no matter what the headlines say about it ([see story](#)).

"A deep understanding of the blockchain technology allowed our experts to create a project which overcomes data safety and retention issues on the luxury watch market," Andreas Fleischer, CEO of [ChronoBase](#), London. "Now anyone can benefit from this global ecosystem, where the information on watches, their current status, as well as their provenance and service history is stored."

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