

REAL ESTATE

Digital currency becoming popular real estate payment method

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As millennials increase their share of the housing market, Bitcoin and Ether payment methods are rising. Image credit: Unsplash

By LUXURY DAILY NEWS SERVICE

As cryptocurrency solidifies itself in the fine art, tech and business sectors, it is becoming increasingly utilized by millennials in the housing market.

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According to a new Redfin [survey](#), nearly 12 percent of first-time homebuyers say selling crypto helped them save for a down payment, up 9 percent from Q3 2020 and 5 percent from 2019. This rise is likely due, in part, to millennials and Generation Z making up an increasing share of the U.S. housing market.

"With extra time and a lack of exciting ways to spend money, many people began trading cryptocurrencies during the pandemic," said Daryl Fairweather, chief economist at Redfin, in the report. "Some of those investments went up in smoke, but others rose enough to help fund a down payment."

Through research tech company Lucid, Redfin surveyed 1,500 U.S. residents planning to buy or sell a home in the next 12 months from Dec. 10-13, 2021.

Crypto mortgage

This report focuses on the 215 of those 1,500 respondents who answered the question "How did you accumulate the money you need for a down payment?" a question Redfin only posed to participants who said they were planning to buy their first home in the next year.



Cryptocurrency gains in popularity among homebuyers in the United States. Image credit: Redfin

The most common response was "saved directly from paychecks" (52 percent), while less common answers included "cash gift from family" (12 percent) and "pulled money out of a retirement fund early" (10 percent).

However, digital currency, like Bitcoin and Ether, is becoming increasingly valuable.

With surging home prices leading to larger down payments, buyers are discovering new ways to fund these costs and remain competitive.

Redfin cites that digital currencies are likely on the rise as a payment method due to the rising millennial home market share. These buyers now account for more than half of new mortgages and simultaneously own more cryptocurrency than other generations.

Looking to 2022, affluents are looking to digital solutions to build wealth and accumulate larger returns on investment, many of which come from the real estate sector.

Cryptocurrency and digital assets will likely shake up the financial sector, along with lingering COVID concerns ([see story](#)).

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