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Use Cryptocurrencies To Buy Real Estate in the Metaverse

As the concept of the metaverse is taking the world by storm, how does buying real estate with cryptocurrencies sound? Read more to find out!

Real estate has always been seen as one of the more popular investment options when it comes to value appreciation. After all, it represents a finite quantity, and its utility is nested in its status as a necessary resource. But what happens when real estate starts becoming a little less real?

Enter the world of virtual real estate. This is where you'll find a bustling housing market just like the one in real life. Everything can be found, from estate agents, renting agreements, and even land barons. Except, it's all in the virtual space: a farcical concept a few decades back, but today, a growing reality.

The Upward Trend

As NFTs (non-fungible tokens) are gaining popularity, the idea of owning something in the virtual world is beginning to be acceptable. Nowadays, buying a portion of code that represents a piece of digital art is treated with the same reception as acquiring a multi-million dollar wood and canvas painting from an art gallery.

With cryptocurrencies taking over paper money and NFTs representing the trade of assets, virtual real estate is the next step forward. And with the interaction between these mediums, you could soon be buying your brand new virtual piece of land with your crypto savings.

How Did It Begin?

Believe it or not, virtual real estate isn't a novel concept. Instead, it's something that has been around over a decade ago with worlds like SecondLife, Runescape, and many more.

With the stock market crash of 2008, the world saw a trend of realtors leaving their jobs to be a broker of virtual real estate in SecondLife. It had all the hallmarks of the real-life market, with everything from high-demand neighborhoods, beachfront views, proximity to desired areas, and property size dictating the price.

Soon enough, the virtual economy of SecondLife started seeing a large boom as brokers, and real estate agencies were dedicated solely to selling in-game property. In 2009 alone, the user-to-user transactions in the game had topped out to $567 million. It represented 25% of the virtual goods market in the US, and the economy was large enough for the world to have its own GDP.

Virtual Real Estate Nowdays

Although no longer as popular today, SecondLife was an interesting concept that demonstrated the capability of the virtual real estate market. In its wake, several other worlds have popped up over the years. The Sandbox, Cryptovoxels, Decentraland, and Somnium Space are just some of the most popular metaverses that you'll find these days.

Crypto at the helm, the reemergence of such a market seems to be an all but self-fulfilling prophecy. Now more than ever, the appreciation of digital means as an asset for trade and investment is met with deep understanding and little pushback. But it's not just a community of individuals driving the new trend. Even companies and investment firms want in on the action.

It's not far-fetched, then, to hear that real estate in the metaverse, like Decentraland and Somnium Space, have fetched as much as $283,567 and >$500,000, respectively. It is clear that virtual real estate represents the next big boom in digital assets. It is akin to the purchase of domains during the DOT COM boom of the late '90s, the SecondLife boom of the early 2000s, the crypto boom of the late 2010s, and perhaps even the NFT craze of the current decade.

How Will it develop?

In many ways, the conditions surrounding the real estate growth of SecondLife starkly contrast today's economic conditions. It's not hard to see how the economic recession and a rising house market drove prospective individuals to the virtual world to find some relief.

With everything from hyperinflation, unemployment, and rising real estate prices, the after-effects of the pandemic have left the current circumstances in a similar state. Thus, the possibility of mirroring the situation is not without merit.

It’s tough to make any predictions about what the future may hold for the likelihood of virtual real estate. However, it is clear that there is a consolidated interest in such a direction.

Looking Forward

It’s important to remember that the key to a successful metaverse exists with its user base. Virtual worlds live and die by their respective communities as they are the driving force that will ensure success or failure.

The same can be said for any virtual economy within these spaces. Supply and demand are the cornerstones that govern any healthy economy. The secret to success for many of these six or seven-figure sales for virtual real estate was owed to the high demand and value attached to them.

In short, one can expect that a flourishing player base will easily lend itself to supporting any kind of econ