

MAINE REALTOR

CRYPTOCURRENCY IN MAINE REAL ESTATE

BY LEE NELSON

ALTHOUGH DAREN HEBOLD has yet to be involved in a house transaction with Bitcoin or other cryptocurrency, he believes it's coming soon. As president of LUX Realty in Portland, he decided to also open up LUXOLO Financial in the same city. It's a place where people can buy or exchange Bitcoin or Litecoin to dollars or vice versa.

The ATM in his storefront allows you to do up to \$7,500 in exchanges. They also have someone managing the desk to answer questions.

"I've been trying to do real estate deals with it, but buyers aren't flush with that much Bitcoin here, yet," he says. "Until it becomes a little more mainstream, we won't get a lot of requests for it pertaining to buying homes."

Hebold feels cryptocurrency will grow in the real estate industry if more education and explanation of its benefits spread to all involved in a transaction.

HOW BITCOIN COULD BECOME A POPULAR WAY TO BUY OR SELL A HOME

Before Hebold could open up LUXOLO, he had to register with the State of Maine, who is regulating the cryptocurrency businesses popping up.

"It is a very regulated business here and legitimate. I had to do some things with the Division of Crime at the state level and with the federal Consumer Protection Agency," he adds. "I had to become a bonded money transmitter. I am considered a dealer."

Although this alternative money hasn't filtered into real estate world in Maine, there are more businesses accepting payment in cryptocurrency. A few places in Portland take Bitcoin such as a training gym, tattoo parlor and beer bar. To check out what businesses across the state or anywhere in the world accept Bitcoin, you can go to coinmap.org.



Hebold believes that maybe in 10 years, the world will be operating in a different protocol using cryptocurrency to buy everything.

"The days of using debit and credit cards are numbered," he adds.

WHY REALTORS AND OTHERS IN THE INDUSTRY SHOULD GET KNOWLEDGEABLE ABOUT CRYPTOCURRENCY

J.L. Sweeney, attorney and owner of Sweeney & Sweeney, a law firm and title company in New Hampshire, Maine and Massachusetts, has worked on two closings in New Hampshire for which the buyers were using Bitcoin to purchase homes. He

found it easy to set up the wallet through Bitcoin to receive and send deposit funds. The transaction was smooth and quick.

He adds that the majority of his clients aren't pushing to see more cryptocurrency happen in real estate, yet.

"But, I can see where it may happen in the future. That's why we've geared ourselves up to be prepared," he says.

WHAT IS CRYPTOCURRENCY AND HOW IT CAN BE USED IN REAL ESTATE

Bitcoin was the world's first cryptocurrency that is powered by its users with no central authority or middlemen, according to Maine Bitcoin.

It is stored and exchanged securely on the internet through a digital ledger known as a blockchain. Bitcoins are divisible into smaller units known as satoshis, according to Coinbase.com. This is a website which you can see the market value, history and fluctuating prices of the top 50 cryptocurrencies.

Bitcoin and other cryptocurrencies can be somewhat risky especially when conducting large transactions like real estate deals because of the volatility. For instance, the value of one Bitcoin was \$13.39 in 2013 but rose to \$20,089 in April 2018. It's now in the \$7,000 to \$8,000 range.

Jake, owner of Maine Bitcoin who chose not to include his last name during an interview, says a potential buyer of real estate wanting to use Bitcoin in Maine would find it difficult right now. Many banks will not allow down payments that come from the sale of crypto, barring some from mortgages with particular banks.

WHERE CRYPTOCURRENCY AND REAL ESTATES ARE GOING

Matthew Carano, chief communications officer at Swarm City, says his company is a blockchain-based marketplace. The company is digital so employees are all over the world.

"We use blockchain technology and smart contracts to allow people to communicate, transact value and earn contextual reputation," he says.

Their goal is to provide an open global marketplace of services and service providers using Ethereum blockchain. Ethereum is another cryptocurrency. This blockchain not only processes transactions but complex contracts. It's still early on in development, but Carano believes real estate will become a natural part of this marketplace.

"Within the next decade, you will see some of these changes occurring in banking and legal industries - the two components of real estate transactions. Blockchain technology makes those things more efficient," he says.

If REALTORS want to be ahead of the curve, they need to understand blockchain technology - what it is, what is bitcoin and other things about cryptocurrencies, Carano says.

"There are all kinds of material on the internet about it. Once you understand it, you can advertise and market that you understand it. It will attract some eyeballs," he says. **MR**

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