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How to Buy a House Using Bitcoin

The acceptance of [cryptocurrencies](#) like bitcoin (BTC) as a payment option continues to grow worldwide. Bitcoin payment providers like BTCPay Server and BitPay are making it easier for anyone to use digital currency to purchase a variety of items, including real estate.

Read on to learn how to buy a house using bitcoin.

Bitcoin Payment Is (Slowly) Accepted by the Real Estate Market

The real estate market has taken notice of the potential to use bitcoin and other digital currencies for payments.

For instance, in August 2021, the United Wholesale Mortgage announced a plan to start accepting bitcoin payments. While the plan was later shelved due to high costs and regulatory pressure, this signified interest in cryptocurrency as a payment method in the property market.

This was not the first time crypto and the real estate industry had converged. In June 2017, possibly the first-ever known bitcoin sale of a family property occurred in Texas. According to the broker, Kuper Sotheby's International, the transaction was processed through BitPay, which converted the BTC into US dollars. BitPay has also handled other real estate transactions including the BTC 2,739 (USD 82m today and USD 1.6m back then) sale of a Lake Tahoe property in 2014.

Currently, numerous property listing sites allow buyers to transact directly and indirectly using digital currency. Sites like Open Listings allow buyers to search properties that accept cryptoassets like BTC and ETH.

How to Buy a House Using Bitcoin (Crypto to Crypto)

If you find a seller who is willing to accept [BTC](#) directly for their property, you can transfer the bitcoin equivalent of the home's price and send it to the seller's address once the sale has been agreed on and all documents signed.

However, in crypto-to-crypto real estate deals, you will have to contend with bitcoin's volatility and trust between transacting parties.

To ensure the payment goes smoothly, it's best to use an escrow service so that all ownership documents are in your possession before releasing funds to the seller.

How to Buy a House Using BTC (Crypto to Fiat)

Alternatively, you can purchase a house using bitcoin by converting your coins into fiat currency at the time of sale by using a crypto payment provider.

Through services like BitPay, buyers and sellers can protect themselves from bitcoin price fluctuations as the digital currency is exchanged into US dollars as soon as the payment is made.

The majority of property companies that are listing properties for sale use a crypto payment provider to accept crypto but receive the funds in fiat currency.

The Upside and Downside of Buying a House with BTC

Let's take a look at the benefits and drawbacks of buying a house using bitcoin.

Upside

Getting a more stable asset

The value of BTC can fluctuate wildly. Therefore, when you are buying a house using bitcoin you are trading a volatile asset for a less volatile asset, which may be the right move for specific types of investors. However, this can turn against you if BTC moons again.

Offering Discounts

If a seller is comfortable with receiving bitcoin they may offer you a discount. Offering discounts to individuals who pay in bitcoin has become quite common among businesses that accept bitcoin, especially those that actually hold the digital currency on their balance sheets.

Downside

Finding a Home Seller

Finding a home seller who accepts cryptocurrency is not an easy task. While some real estate listing sites allow you to filter sellers by adding words such as “bitcoin” to your search parameters, you often have to reach out to the sellers for further confirmation.

Bitcoin Volatility

Bitcoin’s volatile price makes it a risky payment method for sellers who may not get the value they hoped to receive if the price drops significantly shortly after a transaction. As a result, some sellers who accept digital currencies prefer to accept payments in stablecoins.

If you are fortunate enough to have made a large sum of money in the cryptocurrency market and wish to diversify into other assets, spending bitcoin on a property may be an option for you without having to sell your bitcoin first.