

Will Bitcoin Fever Affect Charlottesville Homeowners?

“**Bitcoin Fever Hits US Real Estate Market**” screamed last week’s headline—but like most of the other news stories about bitcoin, the details were less than convincing. Certainly, Charlottesville real estate has yet to be diagnosed with a serious case of bitcoin fever.

Yet, if you are a local homeowner who has begun to wonder if one day you might see “*bitcoin accepted*” messages in Charlottesville listings, you may have been tempted to check into what the hubbub is all about. Is bitcoin some get-rich-quick Ponzi scheme cloaked in technological mumbo-jumbo? Or is it destined to be the dominant exchange medium for all future electronic transactions?

One problem is that the bits and pieces of information that keep dribbling out through the media are often contradictory. If a single bitcoin is worth \$11,000 (or \$18,000, depending on the wildly fluctuating market), how could it possibly be used for buying a six-pack of Coke? Typical is the guidance offered by the CEO of the U.S.’s largest bank, JPMorgan Chase:

- Jamie Dimon: “If you’re stupid enough to buy bitcoin, you’ll pay the price one day.”
- Jamie Dimon: (a little later): “I’m not going to talk about bitcoin anymore.”
- Jamie Dimon: (a little later): “I regret calling bitcoin a fraud.”

My guess is that most of our Charlottesville neighbors don’t have much time to delve into the nuts and bolts of whether various cryptocurrencies may come to play a role in Charlottesville real estate transactions. Still, you can’t be too careful when it comes to future 21st-century reality. If self-driving cars are certain to arrive sooner rather than later (they are), who knows how soon digital currency will be the norm? With that in mind, here is a quick sketch of three basic bitcoin features:

- 1) Its power is based on “*the blockchain*.” The details of a bitcoin purchase are transmitted out onto the network, where it is added to a list of the latest transactions in a “block.” If the block is found to be legitimate by enough participating auditors (“miners”), the block is added to the public ledger (“the blockchain”). The blockchain contains the *entire* verified ledger—from the first transaction to the latest. No one can “cook the books” or counterfeit bitcoins because every transaction is set in stone forever. It’s like being able to put your trust in a group of bookkeepers who can never cheat.
- 2) Every block must adhere to the rules—the bitcoin computer protocols—precisely. If anything differs by so much as a gnat’s eyelash, that block will be rejected by the other miners and discarded. This prevents scams.
- 3) The rules include a limit to the total number of bitcoins that will ever be created (21 million), so each one should gain value if more and more people around the world accept bitcoin as payment. Most transactions will be made in tiny fractions of a bitcoin (this morning, \$100 equaled nine-thousandths of a bitcoin). Since no central authority can print up more bitcoins when it needs extra cash, unlike traditional currencies, bitcoin is inflation-proof.

Of course, these are simplifications—and presented without possible drawbacks—but they do point to some of bitcoin’s appeal. Whether it will be widely adopted for everyday trade is completely unknown. At least for the moment, most Charlottesville listings will continue to do nicely without a “*bitcoin accepted*” notice. Cash is still king in the cville market!



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SETH BATTON

REALTOR, ABR®, e-PRO®, GREEN®

Born and raised in the Shenandoah Valley of Central Virginia, I love everything outdoors. Most of my free time is spent hiking, rock climbing, playing water sports, or cooking out on the back deck with friends. As a child, my parents built me with the core values of a southern gentleman. Trust starts with honesty and honesty builds integrity. I'm a technology guru! One of my favorite hobbies is restoring old homes in depressed neighborhoods to meet the needs of our generation today. My mission is to build a career worth having, a business worth owning, and a life worth living. Being GREEN® is more than just the resource efficiency of your home. It's a lifestyle choice! Let's discuss how to minimize your carbon footprint in everyday life by simplifying your daily commute, decreasing your household energy costs, and boosting the efficiency and sustainability of your daily routine!

I'm an Accredited Buyer's Representative (ABR®) with the National Association of Realtors. Which means I have extensive training to help walk you through the home buying process from start to finish. From lenders and home inspectors to mortgage agents and closing companies, together we will find the best home for your family's needs!

As an e-PRO®, I can show your home to over 500 million visitors today. And you don't even need to vacuum! Curb appeal isn't just about looking good from the street. It's about looking good from the digital highway!

For more information contact me at:

Seth Batton, Realtor

3510 Remson Ct., Suite 301

Charlottesville, VA 22901

(c) 540-241-1877

(w) 434-220-2200

SethBatton.com

seth@FindHomesInCharlottesville.com



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