BUSINESS

Crypto goes real world for home buyers

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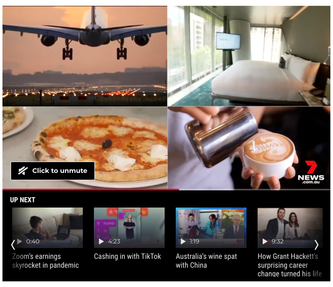

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Some want to buy a house or get paid in cryptocurrency, others just want to have fun with Blockchain gaming.

Millennials, Generation Z and developers are looking to expand the use of cryptocurrencies and digital payments.

PayPal and credit card deposits were just the start for Daniel Senia, who is helping people find an initial payment for their elusive first home.

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The first-home buyer advocate has added Bitcoin to property platform First-Place, and is ready for the first punter to place a deposit.

With average deposits of $100,000 making it harder to enter the market, the average age of first home buyers is rising into the thirties.

Because it's taking first home buyers so long to get into the market, they have had to invest their money elsewhere while they're waiting.

"It's massive," Mr Senia told AAP.

"If you had bought $10,000 in Bitcoin in January last year, you would have $70,000 to put towards a housing deposit."

Pas Garofalo from property developer AHB Group is backing the idea as a way for young people to get into the market.

Australia has the third-highest rate of cryptocurrency ownership at 17.8 per cent, according to the Finder Cryptocurrency Adoption Index.

Bitcoin and Cardano are the most commonly held, and men are 1.5 times more likely to own cryptocurrency than women.

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"I'd say it's low risk even though it's highly volatile because you can go in there with as little as 50 or 100 dollars to start your currency accounts," Mr Senia said.

Regulators such as the Australian Securities and Investments Commission don't have a position on using crypto as a down-payment on a home.

Amid a fresh bout of volatility, Treasurer Josh Frydenberg recognises the need to protect Australians.

"Crypto assets, like other forms of digital currencies and digital assets, are an emerging and fast-growing part of our economy," he told AAP.

"The government has recently completed a number of important and wide-ranging reviews in this area and will have more to say about the regulatory framework applying to these developments in due course."

Salary paid in cryptocurrency is another conundrum.

More than a third of millennials and half of Generation Z would be happy to receive half of their salary in Bitcoin and/or other cryptocurrencies, according to a recent survey.

They are drawn to a decentralised digital currency and payment system over an old-school world where big banks and governments are in control, according to Nigel Green, chief executive and founder of financial firm deVere Group.

The global poll carried out by deVere found 36 per cent of those born between 1980 and 1996 would welcome a pay check in crypto. Some 51 per cent of those born between 1997 and 2012 would welcome crypto pay.

"They've been influenced by the enormous surge in tech as they came into adulthood," Mr Green said.

"Cryptocurrencies make a lot of sense in today's world."

Bitcoin and Ethereum are the largest cryptocurrencies but he expects cryptos involved with financial technology development, such as Ether, Solana and Cardano, to do particularly well.

"As interest, demand, and regulatory acceptance continues to pick up already impressive momentum, naturally, there will be a growing number of people willing to have their salaries paid in Bitcoin and other cryptocurrencies," he said.

"One day it will be the norm."

Other global research shows Australian consumers expect their banks to get on board.

One third (33 per cent) of Australian respondents to the recent survey by cloud banking platform Mambu considered the ability to buy, sell or manage digital assets an important service in a bank.

Mambu in September surveyed more than 4500 global consumers (including 501 Australians) aged 18 and over who have a bank account.

They were asked to identify with various "consumer tribes" such as Neo Asset Hoarders - a new group of consumers seeking to buy, trade and hold neo assets.

Neo assets include cryptocurrencies, non-fungible tokens (NFTs) including digital art and music, fractional shares that allow investors to buy less than a full share at one time, and in-game assets.

The Neopet frenzy at the turn of the 21st century, and neopoints earned by 30 million active users at its peak, likely helped pave the way. Neopet NFTs are now spawning.

Mambu said Neo Asset Hoarders may be the newest consumer group in society, but they are the tribe driving the most radical change.

Mostly younger males, they may feel priced out of traditional assets, such as property, and are creating their own wealth - as the First-Place platform is finding.

Despite representing the smallest tribe globally, Mambu said Neo Asset Hoarders are the tribe to watch when it comes to future banking trends.

Nearly a third (31 per cent) of global consumers have already invested in cryptocurrencies, while 22 per cent have in-game assets or currencies and 11 per cent hold NFTs.

Commonwealth Bank is now allowing Bitcoin on its trading platform, while US Bitcoin futures allow investors to gain exposure without having to hold the underlying cryptocurrency.

Blockchain gaming also surged in 2021 against the backdrop of a strong cryptocurrency market.

Aaron Alderman, co-founder of Perth company Tanks! For Playing, believes Blockchain gaming could surpass traditional gaming in the coming years.

More strategic and less bloody than Korea's Squid Game, where fictional players deep in debt risk their lives, Tanks will require players to form and break alliances to win the prize pool.

A beta version will be launched next month, followed by a full launch on Polygon in January 2022, and aims to give non-crypto users a glimpse of the future.

In the real world, Mambu's Techcelerators tribe has adopted digital services as physical bank branches close.

Recent converts to digital banking, this group - mostly 35-plus - is the largest tribe globally, accounting for one third (33 per cent) of total respondents and 36 per cent of Australians surveyed.

Mambu chief executive Eugene Danilkis says each tribe is significant for banks who want to stay ahead of the curve.

"The one-size-fits-all model, in which customers are divided based on how much they earn, or simple demographics, is redundant in a world of open finance and rich data."