Real Estate Tokenization: What You Need to Know

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Wealthward Capital, a private equity investment firm based in Cedar Park, TX, has recently released an article titled, ?Real Estate Tokenization: What You Need to Know.? This article serves as a guide on the increasing popularity of the tokenization of real estate. The Bitcoin and real estate tokenization both run on a blockchain but that is the only thing where they are similar. The people behind Wealthward Capital are currently doing their due diligence on tokenizing real estate because they realize its huge potential in the real estate industry although they also notice that there is indeed some hype, which is also not necessarily bad.

Blockchain technology employs a kind of ledger whose contents can no longer be altered once they have been recorded on it. It is a chain of data that contain the records of both tangible and intangible assets, such as cryptocurrency, real estate assets, cars, intellectual property, and the like. These blocks of data contain a unique fingerprint, which is known as a hash, including a hash of the previous block. Thus, each contains hashes that link them to the block before and after it. It impossible to modify the data in a previous block because it would require creating a new hash for it, and this new hash will not match the hash in the block following it, and every block after it. That is the reason why blockchains are immutable and why they are often used in systems that require total transparency.

Meanwhile, smart contracts are programs that run on a blockchain and they are programmed to either

completely succeed or completely fail. If the smart contract?s conditions are not satisfied, it will not allow the transaction to go through. It is these smart contracts that have revolutionized blockchain technology because they allow tokenization, which may also be used in real estate investing. This is because a smart contract can be utilized for real contracts or for holding money in escrow until a number of conditions are complied with.

Smart contracts allow owning a particular real estate asset through a digital token. The token can be programmed in such a way that it represents a particular physical asset, or a part of it. Because the blockchain is immutable, the ownership of a particular property can easily be verified and it is assured that it is not forged. These tokens are known as security tokens.

Security tokens offering real estate investments can be created on a blockchain because they serve as an immutable record of ownership of a certain real estate asset. People can buy these tokens as if they were like securities on the stock market. In effect, real estate tokenization democratizes the ability to own real estate assets while also simplifying the process of obtaining it. There are several benefits of real estate tokenization, such as: the ability to own a part of a real property; liquidity; transparent and immutable record; no need for a 50- to 60-page document to buy a piece of property; token owners can clearly see the value of the underlying property; ability of real estate owners to hold on to real estate assets in perpetuity and continue to get cash-on-cash returns; and ability to sell debt tokens to buy properties.

Wealthward Capital is composed of a team of passionate individuals with the primary goal of achieving real financial independence and helping their tech employee investors be successful too. Their leadership team is made up of Christopher Nelson, co-founder and principal; Chris Arias, director of outreach and growth; and Regine Nelson, co-founder and general partner. They have partnered with the leading sponsors or operators who have a strong track record for meeting or even exceeding targeted investor returns and asset management success. The team is composed of financial analysts, real estate investors, tech employees, designers, deal hunters, marketers, genealogists, writers, musicians, immigrants, hiking and road trip enthusiasts, gardeners, barbecuers, and more. During the firm?s entire existence, they have been able to acquire over 3,000 multi-family units with the help of more than 100 tech employee investors, with the result of their total portfolio value amounting to $294 million.

People who are interested in learning more about real estate tokenization can visit the Wealthward Capital website.

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For more information about Wealthward Capital, contact the company here:Wealthward CapitalChristopher Nelson100 E Whitestone Blvd Ste 149 Cedar Park, TX, 78613-6937 United States

Wealthward Capital

Wealthward Capital is a private equity investment firm that educates investors and provides institutional quality investments. We help technology employees grow their careers, build wealth and make an impact.

Website: https://www.wealthward.com/

