

Hernando Fernandez Talks About the Pros and Cons of Real Estate and Bitcoin

Hernando Fernandez Lays Out the Pros and Cons of Cryptocurrency and Real Estate

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/EINPresswire.com/ -- Five years ago, the price of a Bitcoin was under \$1,000. In October of 2021, one could have sold that Bitcoin for \$64,000. The price of Bitcoin has settled down a bit to between \$40,000 and \$50,000, but recent gains have been nothing less than spectacular, [Hernando Fernandez confirms](#).

There aren't a lot of real estate deals—outside of a few prime locations in the red-hot Austin, Texas market—that have brought similar returns. But real estate reliably creates wealth. It is a tangible asset that can produce revenue in the form of rent, independent of its sales value.

Which is the better investment for 2022? [Hernando Fernandez advocates diversity](#) in personal portfolios, with most investors benefiting from greater weight in real estate. Here are the reasons why.

Pros and Cons of Investing in Cryptocurrencies

Fortune favors the brave, the Matt Damon ad says. But should one have to be brave to invest their money?

Cryptocurrencies like Bitcoin offer some clear advantages:



Hernando Fernandez notes some well-known advantages of investing in real estate

Low barriers to entry. Bitcoin can be bought in units called Satoshi, which are currently trading around 2,700 to the dollar. Or one can buy an entire Eutherfordium for just \$3,700 (as of December 30, 2021).

Minimal government interference. No government can inflate the cryptocurrency market. That isn't to say one's accounts are entirely out of reach of the IRS, but one is protected from the restrictions regulations place on other assets like real estate.

Potential for even more spectacular returns. No one knows how high the market will go—or low. No asset class has performed better over the last five years.

Investors also need to consider the downside of investing in cryptocurrency:

Capital appreciation is the only way to make money with cryptocurrency (although some new investment vehicles may become available soon). The only way to make a profit on their cryptocurrency is to sell it. There are no rents or interest.

Governments are looking for ways to regulate cryptocurrency. Some, like China, may ban it.

The cryptocurrency market is extremely volatile. In a single four-month period in 2017, the value of a Bitcoin went from \$1,000 to \$20,000 and back down to \$7,000. Losing money is possible.

Pros and Cons of Investing in Real Estate

Hernando Fernandez notes some well-known advantages of investing in real estate:

There will always be a market for real estate. People need a place to live, and even online businesses need office space.

Real estate is a tangible asset. One can improve it to increase its value.

Real estate can generate a steady stream of passive income in rents.

There are also some significant downsides to investing in real estate:

There are significant barriers to entry to real estate investments in most situations. One needs substantial cash to invest in most properties and expert legal advice to invest in coops, partnerships, and REITs.

One spends money to make money with real estate. Taxes and upkeep expenses are continuous whether one is making money or not.

Real estate is illiquid. It takes time, and money, to buy and sell properties.

All of these factors taken into consideration, which is the better choice for most investors,

cryptocurrency or real estate>

Put a little money in cryptocurrency, [Hernando Fernandez says](#). Enjoy some exposure to the inevitable ups in the market. But protect oneself from the inevitable downside. Don't get wiped out.

Place a heavier weight on real estate investments. There will always be a market for their investment, and slow and steady returns will add up.

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