



## The New Frontier in Commercial Real Estate

As we've seen with the introduction of blockchain technology over the course of the last decade, commercial real estate is a dynamic industry that is not afraid to change with the times. With new technologies continuing to launch, the ways in which real estate is bought and sold continue to evolve.

One area showing tangible impacts on the commercial real estate market is the Metaverse. But what exactly is it? The Metaverse is a rapidly evolving phenomenon flipping the way we define "real estate" on its head. This new frontier refers to a broad range of technologies operating together digitally, including virtual reality, nonfungible tokens (NFTs), and augmented reality. Together, these technologies operate to combine the digital and the physical worlds, allowing us to interact with both in a more fluid manner. While in the physical world you can go to the store and buy a physical piece of artwork, the Metaverse allows you to also buy that same artwork digitally in the form of an NFT.

But how exactly does commercial real estate fit into the Metaverse? In the Metaverse, real estate is virtual, rather than physical. The Metaverse offers a digital real estate landscape allowing investors to buy and sell virtual "land" via online marketplaces. One such marketplace, Decentraland, currently offers 90,000 plots of land for sale, each of which measures 16 meters by 16 meters in the Metaverse. Although this concept sounds pretty fantastical to even the most open-minded of investors, digital real estate continues to gain traction. In late 2021, for example, Decentraland sold 116 parcels of "land" for \$2.5 million and big-name players such as Sotheby's have purchased digital real estate to develop new online platforms for business. Even celebrities have begun to embrace the Metaverse. Rapper Snoop Dogg hosted a virtual party at a recreation of his mansion located on "land" in the Metaverse, charging entrants to "visit" the mansion and see him perform.

However, there is still a lot that we don't know about the Metaverse and how it will be used as investors continue to purchase "land" and push the boundaries of how we blend the physical and digital worlds. In a lot of ways, the Metaverse is the equivalent of a digital wild west and the risks of getting in on the ground level remain high. While it remains to be seen how the Metaverse will ultimately be used, the booming purchase and sale of digital real estate suggests that this new frontier is here to stay.

**For more information, please contact [Katie Gourley](#).**