

Unlocking the Future: Jason Powell on Real Estate Tokenization

Question & Answer
August 28, 2024
Foster Garvey Newsroom

Tokenization is becoming a transformative force in the real estate industry, offering new opportunities for investors and sponsors. [Jason Powell](#), Principal at Foster Garvey who focuses on securities and real estate syndication, guided [One Hope of Colorado](#) through their first capital-raising effort using tokenization.

One Hope of Colorado, a historic church in downtown Fort Collins, Colorado, is the first-ever church to tokenize using a Polymesh blockchain on [REtokens](#)' platform. Through this transformative technology, the church aims to build and foster a more united, local community.

In this Q&A, Jason shares insights on the importance of tokenization, the challenges it presents and the potential it holds for the future of real estate.

Question 1: Why do you believe that tokenization is important?

Jason: Tokenization is important for four primary reasons: digitization and automation of processes, improving access to capital, fractionalization to reach new types of investors and increased liquidity.

Question 2: Can you share more about your experience working with the client on this project?

Jason: The client was referred to me by the co-founder of REtokens. Raising capital was a completely new experience for this client, and I think my experience working with many clients doing a securities offering for the first time was beneficial for them.

Related Services

- Business & Corporate Finance
- Emerging Companies
- Family-Owned & Closely Held Businesses
- Real Estate
- Real Estate Funds & Syndications
- Securities & Finance

Question 3: What are some key challenges with the adaptation of tokenization?

Jason: There are several challenges with tokenization, including:

1. **Regulatory compliance:** Tokens are securities and need to be treated as such in connection with the issuance of tokens.
2. **Technology:** Ensuring security and scalability is crucial, but not easy.
3. **Investor Education and Trust:** Educating investors about tokenization is critical to its growth, as many people are still unfamiliar with tokens and how they work. Growth in this industry will depend on investors feeling confident about the security and reliability of the tokens. A lack of understanding can lead to misinformed decisions and reluctance to participate in this innovative market.
4. **Liquidity:** While tokenization aims to increase liquidity, the market for these digital tokens is still developing.
5. **Volatility.** Price fluctuations and market instability can impact the value of real estate tokens, making them a riskier investment compared to traditional real estate.

Question 4: In your own words, what should people know about tokenization in real estate, and what value does it bring to the industry?

Jason: Before jumping into real estate tokenization as an investor or sponsor, it's crucial to educate yourself about blockchain, tokens and smart contracts. From there, understanding the process of real estate tokenization is essential. Tokenized real estate has the potential to transform the traditional real estate syndication and fund space and could be a \$5.7 billion market by 2027.

Question 5: How do you see the future of tokenization evolving over the next few years?

Jason: I think the next several years will be significant for real estate tokenization, primarily due to the rise of online platforms that assist real estate sponsors in tokenizing and selling tokenized real estate offerings and the emergence of secondary trading platforms that will increase the liquidity of tokenized real estate markets.

Tokenization is still in its early stages, but its potential to reshape the real estate industry is undeniable. As the market continues to evolve, both investors and sponsors will be able to use this technology to unlock new opportunities in the industry. Learn more about Jason and his work [here](#).