



## Crypto vs. Real Estate: Which Asset Class Should You Choose in 2022?

### Description

We are about to enter the new year, and if you are planning to have a fiscally successful 2022, new year resolutions will not be enough. You will need to make viable savings and investment plans, including which asset class should be your primary focus in the coming year.

That's equally important for investors who only maintain a stock/funds portfolio and investors who invest in different asset classes directly. There are several different asset classes both types of investors can focus on, each with its own set of strengths and weaknesses. But the two that stand out the most for 2022 are crypto and real estate.

### Crypto in 2022

Bitcoin is going through the second most consistent (and thorough) decline of 2021. It has already fallen over 28% from its recent peak, and even though it might stop before hitting US\$30,000, it's not difficult to see that Bitcoin would have a really hard time reaching back to its yearly peak, let alone reach the anticipated height of US\$100,000.

However, this might not necessarily be a bad thing. In a way, Bitcoin and the crypto market, in general, is going through a correction phase, and 2022 might offer a fresh start. And if Bitcoin falls harder as we enter 2022 (US\$30,000 or lower) and [other cryptocurrencies](#) follow the lead, buying them for the next spike can help you grow your capital substantially by the end of next year.

And if you wish to invest in the asset by not investing in the asset directly, a crypto stock like **HIVE Blockchain Technologies** ([TSXV:HIVE](#)) is a good place to start. It's already going through a correction like underlying crypto-assets and has fallen over 44% from its recent peak. But a harder fall might also turn into a sharper rise once Bitcoin and other cryptocurrencies start to bounce back in 2022.

HIVE Blockchain peaked twice this year, once it grew by 200% and the other time by about 135%. That's better growth than Bitcoin itself offered. So by buying into the crypto stock, you may get the chance to enjoy oversized gains.

## Real estate in 2022

Unlike crypto, real estate hasn't gone through a proper correction yet, and it's long overdue. But unlike crypto, it's a very tangible asset and psychologically more attractive than something highly speculative and intangible like crypto. So even in its relatively risky state, real estate might seem like a better choice, not just for 2022 but for almost any given year.

While the actual asset is usually too expensive for most retail investors, a real estate stock is the most obvious choice. And you can minimize the downside by choosing a stock like **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)), which has proven its mettle time and time again. It's also a Dividend Aristocrat and is currently offering a modest yield of 2.4%.

However, a much more compelling reason to consider buying [this REIT](#) is its 10-year CAGR of 14.2%. The value is quite attractive at the moment as well.

## Foolish takeaway

While crypto might be a better choice for 2022, since it's already gone through a correction and might offer more upside in the coming year, it wouldn't be smart to discard real estate right away. If the housing market experiences a correction, its impact would be felt by residential REITs like Canadian Apartments, and you might be able to lock in a much better yield and bag some [undervalued stocks](#).

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
2. TSXV:HIVE (Hive Blockchain Technologies)

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