Building Blocks of the Future

Some of the world's largest banks, central banks, governments, universities and technology companies are now working with the blockchain as a future technology. The first application has been in the Bitcoin digital currency, but a host of possibilities are on the horizon – including for real estate.

"Blockchain should be taken as seriously as the development of the Internet in the 1990s."
- Blythe Masters, CEO, Digital Asset

HOW IT WORKS

A blockchain is a type of data storage – commonly transaction data.

Data is stored in 'blocks,' like pages in a book, which are linked to the previous block in a chain.

Identical copies of the blockchain data are held over a peer-to-peer network in almost real-time.

Cryptography and digital signatures prove identity and authenticity.

Blockchains are set-up with specific rules – i.e., who can read or edit the data.

HOW IT BENEFITS

It is open source and decentralized – reducing risk and increasing transparency.

Tampering with data in the blockchain is considered almost impossible.

It is low-cost – or even free – to record and verify blockchain transactions.

Blockchain removes the need for 'trusted' intermediaries.

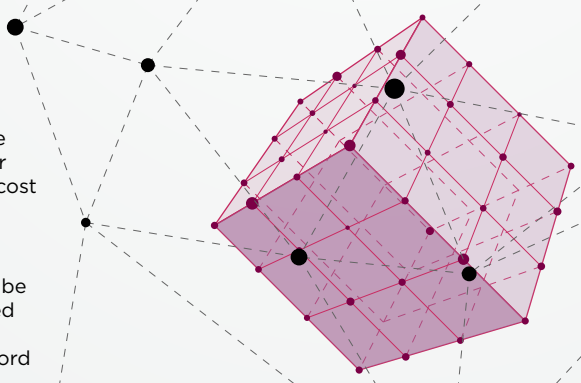
SMART CONTRACTS

Lease terms are codified in a "**smart contract**" which can operate automatically. Smart contracts could replace leases, being digitally signed and then set-up to function autonomously according to pre-defined rules, i.e., on rent payments.

Rent payments can be automated, so the right amount is paid on time every time and is fully traceable for audit. This reduces errors and the cost of human involvement.

Service charges can automatically be calculated, charged and paid, based on data fed in a blockchain from Internet of Things devices that record energy, utilities, and more, in a transparent way.

Deposit payments could also be held on blockchain, with protocols in place for making deductions or returning it to the tenant at the lease end.



TITLE REGISTRATION & CONVEYANCING

In Sweden, the government land registry is already testing all land titles and transfers on blockchain. It aims to make property purchases quicker, cheaper and more secure by holding all title information digitally and enabling virtual transactions.

When trading international property, exchange rates, taxes and regulations all cause friction. Using blockchain, funds can be transferred to anyone anywhere securely and quickly.

Verification of ownership titles can be one of the most time consuming and labor ivntensive parts of a transaction. Transparent data on blockchain would enable parties to easily transfer titles.

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