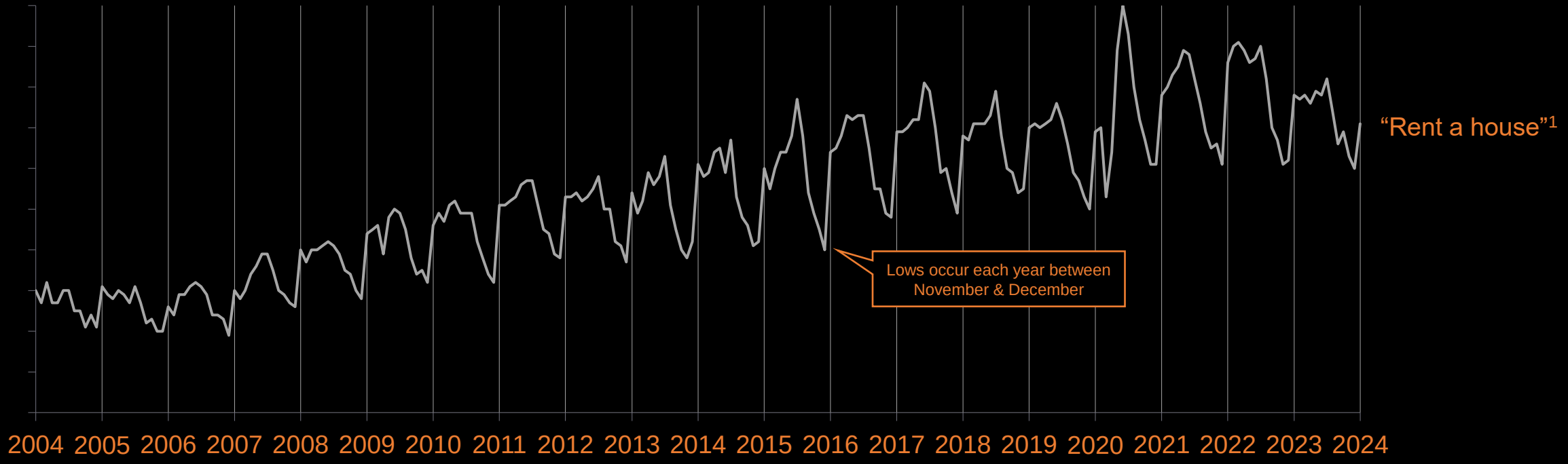
Bitcoin’s Role as Collateral in Real Estate Development

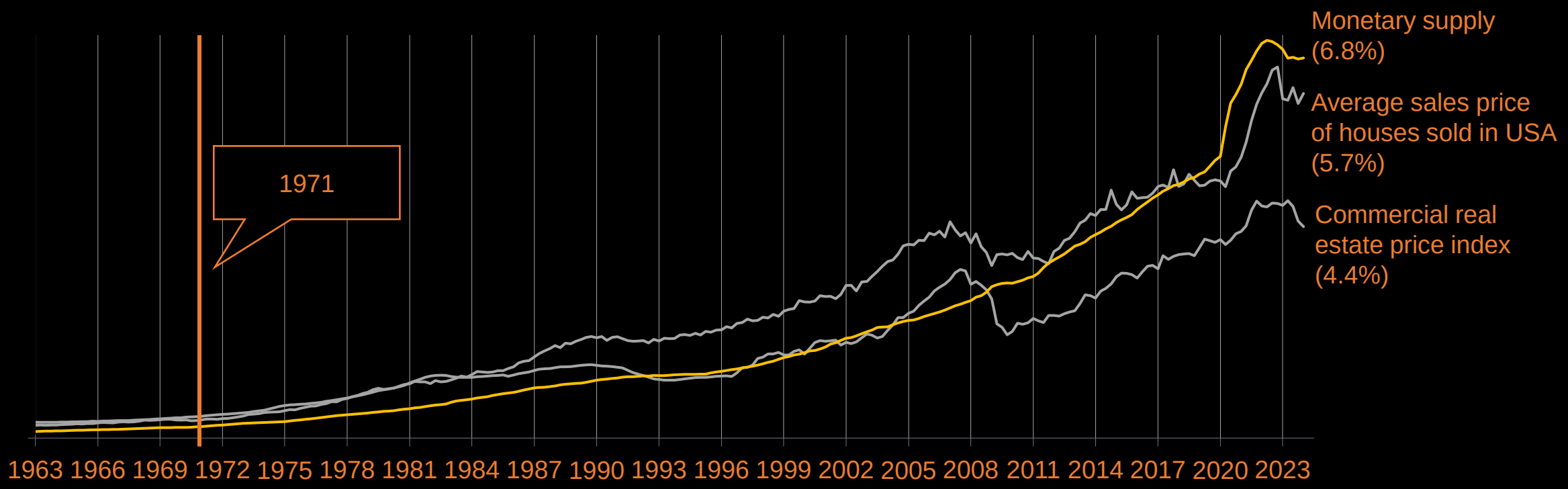
The relevance of housing



1. Search data for the U.S.

Source: Google Trends

Real estate's rising valuation reflects the debasement of fiat currency



(x%) = CAGR Jan 1971 – Jan 2024

Source: U.S. Board of Governors of the Federal Reserve System; U.S. Census; HUD

Bitcoin presents a solution to the housing crisis

Average price of a home
U.S. Dollars vs. bitcoin

2016
$357,000

~968 BTC

2020
$383,000

~41 BTC

2024
$513,100

~12 BTC

Source: Coinsauce; U.S. Census; HUD

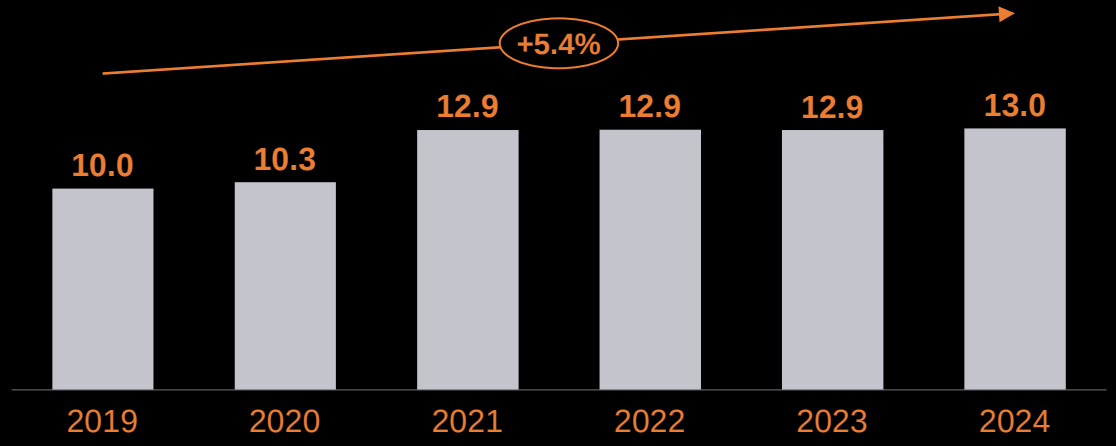
Bitcoin strategies for real estate developers

1. Build maintenance reserves in bitcoin
2. Diversify and hedge
3. Refinance real estate portfolio
4. Own it and use it! Bitcoin is pristine collateral for lending
5. Include bitcoin in financing
   - 5.1 Affordability for consumers
   - 5.2 Monetary premium
   - 5.3 Inflation hedge
   - 5.4 Increase creditworthiness
   - 5.5 More resilience
   - 5.6 Protection against property confiscation
   - 5.7 Default protection

Real estate development financing benefits from bitcoin

∅ $10m US Residential Real Estate Project

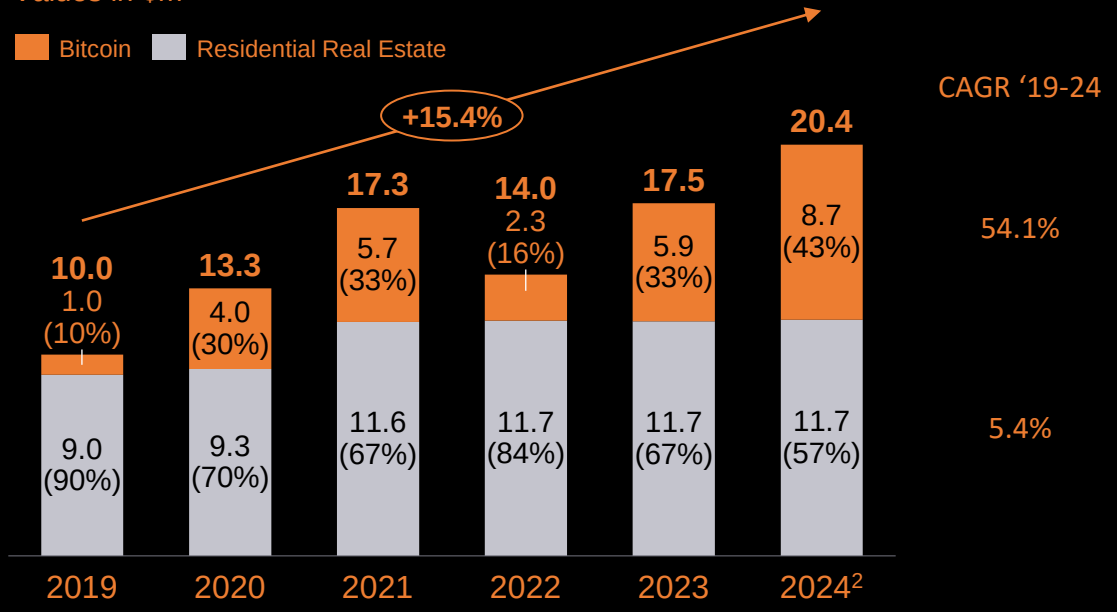
Values in $m[1]



Total value increase
~30%

∅ $9m US Residential Real Estate Project + $1m bitcoin

Values in $m[1]



Total value increase
~105%

1. Development from 2019-2024 calculated by adding the year-on-year growth to the respective residential real estate & bitcoin values of the preceding year; figures are reflective for the respective year-end except 2024 (s. footnote 2)
2. Bitcoin and residential real estate value growth calculated based on respective year-on-year growth for each year until 1 July 2024, where the values reflect the assets' positions on that date.

Source: U.S. Census Bureau; U.S. Department of Housing and Urban Development; CoinMarketCap

Bitcoin enables both the separation of money from the state and the separation of business from the state.

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