

# Blockchain Technology in the Construction Industry



by  
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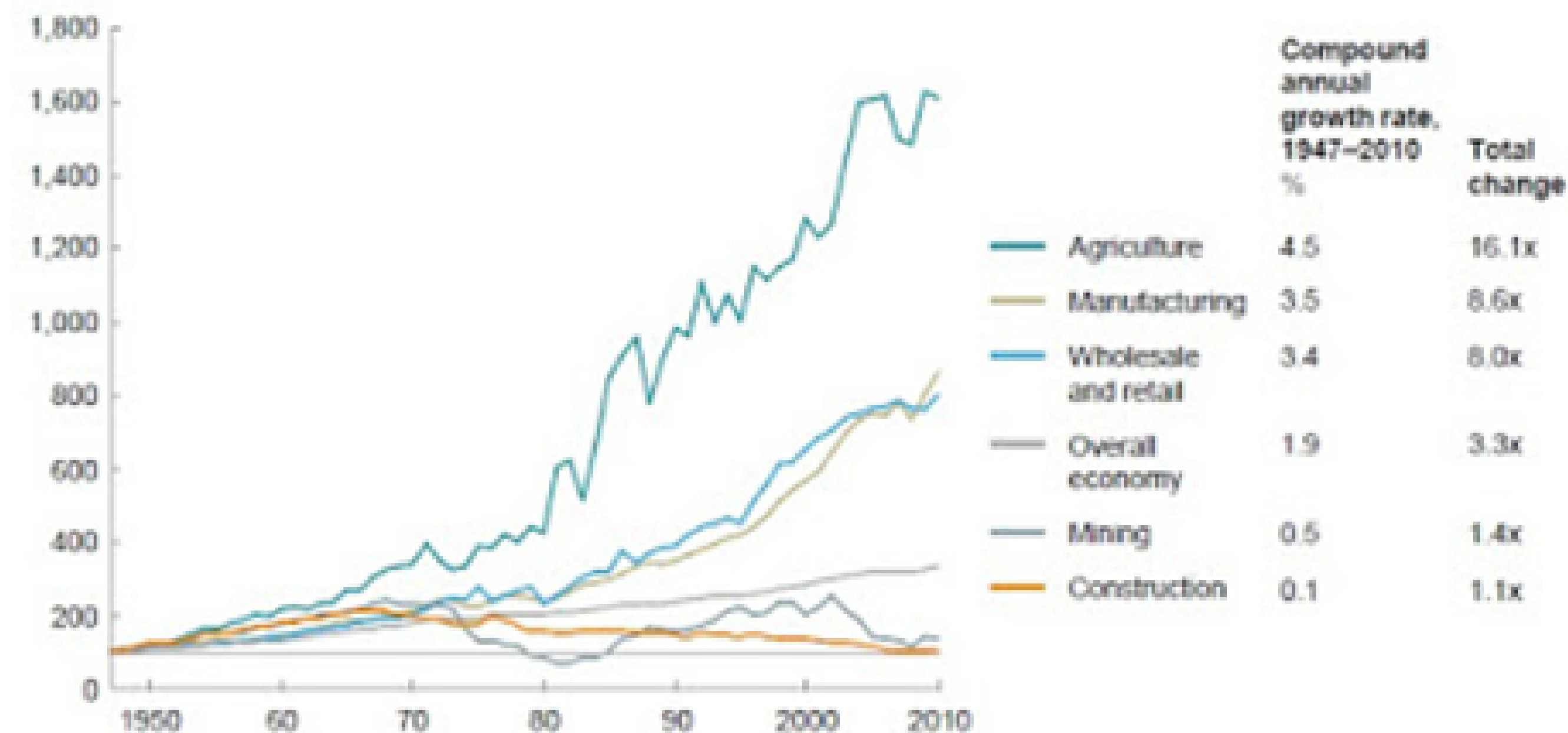
The construction industry has not advanced as quickly as other industries in the aspects of time, cost, and quality; but Blockchain could be the solution. Blockchain, defined in a big picture, is like a shared google sheet where anybody could add information but nobody could delete it. This technology could change the way construction is done and add value to the industry with increased productivity and transparency. This paper analyzed whether Blockchain Technology would be useful to the construction industry, and to gain knowledge of Blockchain's uses in the field. Findings revealed that this technology could be beneficial for speeding up the contractual processes, payment processes, and tracking quality.

## Construction Productivity

Exhibit 9

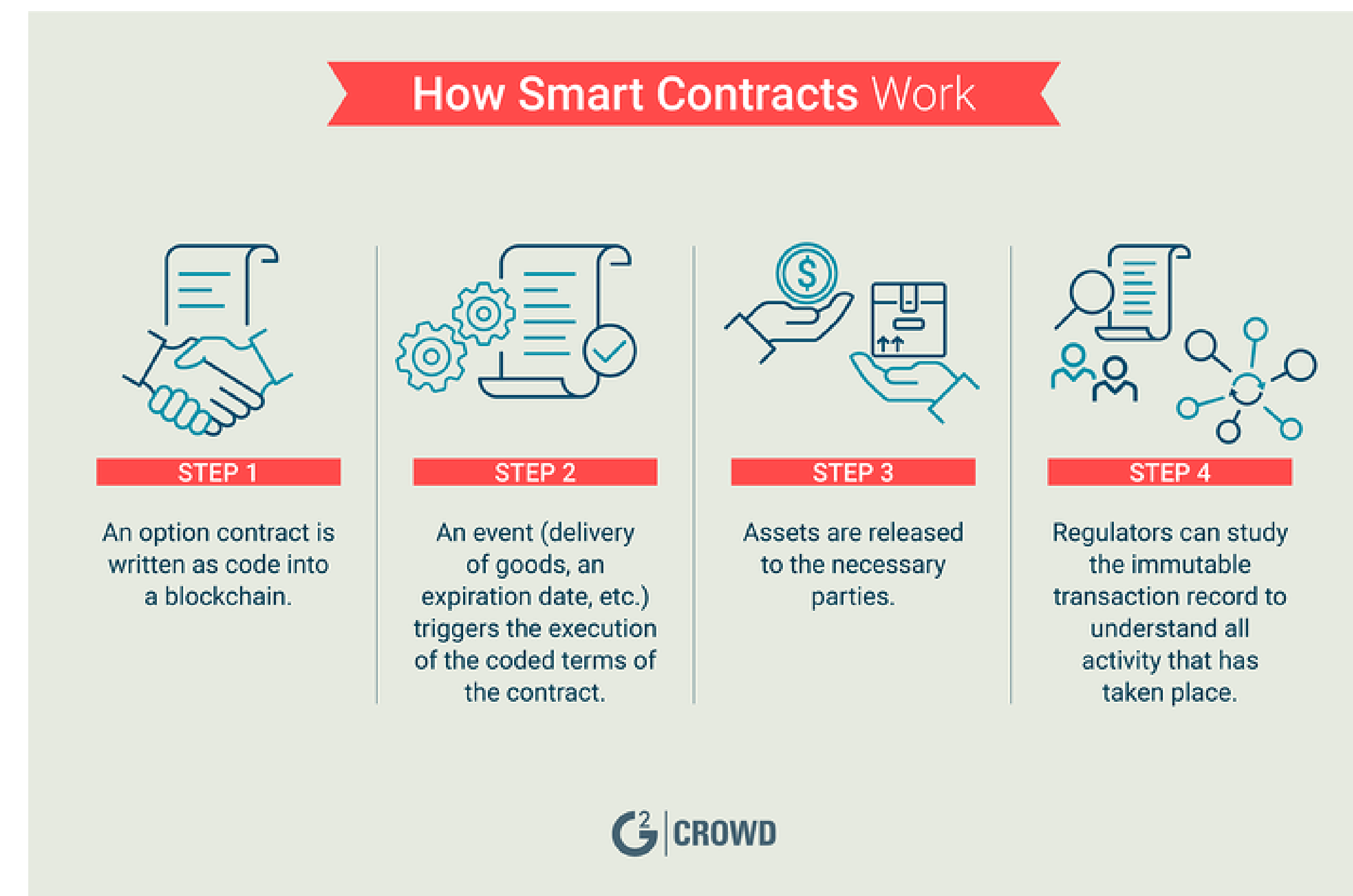
In the United States, labor productivity in construction has declined since 1968, in contrast to rising productivity in other sectors

Gross value added per hour worked, constant prices  
Index: 100 = 1947



According to MarketWatch, "U.S. Construction-Sector productivity is lower today than it was in 1968, and investment has fallen over the past decade" (Woetzel, 2017). When compared to other industries in the last 50 years, construction has not been able to hold its own, barely improving from over 50 years ago. This leads to the search for a revolutionary technology that can be applied to the construction industry.

## Smart Contracts



Applied to the construction industry, Smart Contracts could "reduce time and cost, increase trust among parties, payment guarantee, high speed of execution, and elimination of intermediaries in transaction arrangement" (Dashore, 2020). By using Smart contracts, the industry would greatly reduce the need for litigation required under normal contracts. Using Smart Contracts, the industry could automate payments based on agreed-upon terms and streamline the payment process.