



# Feasibility of Funding Construction Related Projects with Cryptocurrencies

Farbod Pourdehmobed



The current method of acquiring funds for construction projects consists of loans and/or a board of investors. With the emergence of the cryptocurrency industry in the past five to ten years, an influx of cash has been inserted into the market and is simply being held captive by government regulations. With development and construction being an attractive investment for most anyone, these "crypto billionaires" are insistent on financing possible projects. The issue lies within the construction industry and the possibly outdated financial system and whether or not it is capable of adhering to certain requirements that come with the usage of crypto for payment. By interviewing industry leaders in the construction sector, it will become apparent whether this is feasible in the current climate, not possible at all, or maybe possible in the coming future. Regardless of the outcome, this will become a necessary tool for the future of construction financing.

## Goals

- Establish an understanding of current real-world construction financing
- Understand the current state of said financing
- Discuss the feasibility of crypto within the construction sector
- Determine the timeline of integration for crypto
- Understand possible usage besides simple payment for jobs.

All these goals were met and all construction persons interviewed were interested in the idea.

## Methodology

- Informal interviews were conducted with knowledgeable industry leaders
- Emphasis on finding financial officers within companies
- The interview usually took a different turn depending on crypto knowledge

This form of interview style allowed me to have a fluid conversation with these industry leaders. It usually started with their current knowledge of crypto and went into a series of questions that were adapted to the person.

## Findings

- There is room for it, especially within the smart contract world that is introduced to construction.
- The construction industry is very conservative so there are people not open to the idea of crypto.
- As the older generation is retired, this will become a possibility.
- If there was a globalized currency for payment throughout the world for construction, then yes. But not with the conventional Bitcoin/Ethereum means and methods.
- Possible to start at a smaller scale - paychecks, subcontracts, material invoices. Just to set up crypto means and methods.

It is apparent that there are technologically savvy individuals in the construction sector, especially with the usage of new BIM software. Crypto is not a foreign word in this industry. It is a luxury to have currently, but after necessary interviews, it is possible and needed in the coming future.

Has your company had any crypto "people" wanting to invest in properties or pay with their own means of funds?

Long answer text

Would it benefit you to ensure that the money coming into the account is already approved and will not be "frozen" or "bounced" or have any difficulty landing in the account?

Long answer text

Would it benefit your company to not have to pay taxes on those profits until necessary?

- you have a project that a part of it is paid for by crypto but it only worth the USD amount for tax purposes

Long answer text

Do you work with any international investors or people overseas who need to convert money in order to pay?

1:1 value for the money

Long answer text

Have you ever been involved in projects where investors or people involved want to remain anonymous

Long answer text

