BITS WEEK 1: REAL ESTATE

Problem Statements:

What weaknesses does this current system have that blockchain/ethereum can be exploited to make less sucky?

Middlemen: There are many, many "middlemen" parties involved in a real estate transaction. They include: Mortgage Broker, Buyer's Agent, Seller's Agent, Property Inspector, Title Insurer, and Government Forms, as well as potentially an Escrow Company and a Notary.

Regulation: Multiple steps of the real estate process exist simply to prevent tax fraud, but would not be a part of the transaction was government regulation not present.

Strengths:

What structural advantage (efficiency/price/architecture) does Blockchain offer over the current system, if any?

Trust: Blockchain smart contracts can be used to replace an Escrow Service. Blockchain ledger history can be used in place of a property inspector or a title insurer.

Identity: One can trace a buyer or seller's past transactions, or those of a specific house, to understand the backgrounds of the parties involved.

Transparency: Given the correct information, taxes, assessments, and other regulatory information can be collected directly from the transaction, without filing additional forms.

Interoperability: International transactions between locations with different regulations can be carried out on one platform, rather than requiring local representation on both ends.

Competitive analysis:

What's being done now? What could we do?

Chromaway - land registry in sweden working to build the full blockchain real estate purchase ecosystem.
https://chromaway.com/landregistry/

Propy - ethereum blockchain implementation of land registry and title exchange, originally targeted to international sales but including everything, raised $15M in an ICO on September 18, 2017. https://propy.com/

Factom - creating a permanent record of loan and mortgage documents on a blockchain-backed system.

https://www.factom.com/products/harmony

Bitland - land title registry for developing countries, built on the OpenLedger blockchain, with its own tokens.
http://www.bitland.world/
Velox.re - a blockchain title registry being piloted in Cook County (Chicago) with the local government's support.
https://www.velox.re/

International Blockchain Real Estate Association - an organization that wants to build the standards for putting real estate

on any blockchain.
http://www.ibtcrea.org/

Concepts for Consideration:

Escrow Service
Rental Payment Platform
Mortgage Service
Document Management Platform
Fractional Ownership / Co-Ownership
Kickstarter for Houses