

Cryptocurrency could be 'innovative tool' for Calgary office vacancy problem, says landlord

Calgary office building will be first in Alberta to accept bitcoin for rental payments

A Calgary real estate brokerage is offering what it says will be the first office rental in Alberta to accept lease payments in cryptocurrencies.

Commercial real estate company Barclay Street is working with the owners of Real Equity Centre, an office building at 1716 16th Ave. N.W. in Calgary.

Tenants interested in renting one of the office suites in the Real Equity Centre building will have the option of paying their rent in bitcoin (BTC), ether (ETH) or litecoin (LTC), instead of the Canadian dollar.

"We believe that crypto currencies are going to have a dramatic impact on really every part of finance and commerce and that certainly includes real estate," said Greg Habstritt, president of Real Equity, on Tuesday.

"Given the challenge we've got with the commercial real estate market ... we believe this is going to be one of the innovative tools that can be brought to the table."

- Greg Habstritt, president of Real Equity Centre

of payment. Instead of operating through a central bank, transactions are tracked through a public ledger called a blockchain.

"We find that the more technology-oriented tenants are the ones that are interested ... they see this as a pretty exciting opportunity," Habstritt said.

"It's not just about it being a payment method, but also a lot of tenants believe in the concept, believe in the technology, believe in the philosophy of what cryptocurrency represents."

Habstritt said he'd love to see the industry at large adopt cryptocurrency, as giving tenants more choice opens up the real estate market to greater opportunities.

"Given the challenge we've got with the commercial real estate market — I think everyone's familiar we've got a vacancy problem, we believe this is going to be one of the innovative tools that can be brought to the table and perhaps

The announcement comes just days after a Calgary renovation company announced it would soon be the first general contractor in Canada to allow customers to pay with cryptocurrency.

Cryptocurrencies like bitcoin, ether and litecoin are decentralized digital methods

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get people thinking differently about office space and tap into some markets nobody is tapping into."

A volatile market

Cryptocurrencies have been volatile — with bitcoin, ether and litecoin reaching record highs in December, before a large crash in January. Day-to-day cryptocurrency valuations compared with the Canadian dollar often see the coins fluctuating by 10 per cent or more.

Habstritt said that while both parties will have to accept some risk, it's not really any different than a Canadian business that exports goods to the United States, as both use similar protections.

He said the lease agreement will set out protections for both landlord and tenant, like mutually agreed upon spot prices in advance of when rent is due.

"This is one of the natural byproducts of innovation, in that sometimes you have to take a bit of risk to push into the future, and that's the way we see this," he said.

"We really believe in the Calgary market, especially the technology industry. We've got a lot of talented companies here and a lot of forwarding-thinking people."

Dan Harmsen, a vice-president at Barclay Street, said he's definitely looking at this as an experiment that could possibly be rolled out to other buildings in future if it's successful.

"We think it could be the start of something bigger," Harmsen said.