

Blockchain Tech Can Reduce Legal Costs for Construction Companies

Current Issues with Construction and Litigation

There are **three leading causes of litigation** in the construction industry:

- Defective work quality
- Missed deadlines
- Unfulfilled contracts

Any of these types of litigation can be costly to a construction company, architect or engineering firm whether or not the claim is valid. There will be attorney fees, time lost in court and potential damages if the client is at fault.

Many times, it is difficult to ascertain who is responsible for defective work or other claims, and courts issue judgments even though the company is faultless.

Construction Management Software Can Help

Thankfully, with the rise in technology, more people in the AEC (architecture, engineering and construction) industry are converting to construction software to help manage their projects. This software can be a considerable benefit in litigation cases because it can track work schedules, emails and correspondence.

This evidence can be presented in court to support the claims and identify who is at fault. Unfortunately, this type of software is not enough to verifiably prove innocence, causing unfair judgments to prevail at times.

A Blockchain Application Can Solve These Issues

With the rise in crypto-currencies like Bitcoin, people are turning to the blockchain technology upon which they are built. There is an endless number of markets that can benefit from blockchain technology, including the construction industry.

A blockchain is a powerful shared global infrastructure that can be used to pay for and track goods and services at every step of the construction process on multiple servers.

In addition, a blockchain can provide an unalterable trail of responsibility and accountability throughout the project. This trail would virtually end the need for litigation in the construction industry, saving architects, engineers and contractors money, time and unjust judgments.

Also, blockchains are decentralized so there is no "one" entity controlling their oversight. Instead, they consist of nodes or blocks of information that are stored on many servers and hailed as unhackable due to their complexity.

Blockchains Are the Future of Construction

Blockchains have many applications in the architecture, engineering and construction industry, including many time and money saving protocols. Protection against litigation is just a drop in the proverbial bucket. Blockchain is the future of construction as we know it.

Embrace it early, and you will be on the cutting edge of technology in the construction business.