

The Bitcoin Playbook for Commercial Real Estate Owners & Investors

*A Strategic Framework for Treasury,
Capital Stack, and Operations*

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Table of Contents

Executive Introduction: The New CRE Playbook	3
Part 1: The Case for a Bitcoin Strategy in Commercial Real Estate	4
Part 2: Treasury — Cash Management for the Bitcoin Era	6
Part 3: Capital Stack — Financing Commercial Real Estate with Bitcoin	12
Part 4: Operations — Protecting NOI and Creating New Revenue Streams	17
Part 5: The Three Recurring Value Drivers	23
Part 6: Implementation Roadmap	25
Part 7: Practical Use Cases	26
Part 8: What Not to Do	27
Part 9: Advisor and Vendor Categories	27
Part 10: Real World Examples	28
Part 11: Closing Thesis	30
About the Author	31
Disclaimer	31

Executive Introduction: The New CRE Playbook

Commercial real estate is not going away. It is not going to zero. It remains central to human society: shelter, commerce, logistics, healthcare, community, culture, and enterprise all require physical space.

But the industry is entering its most consequential transition in at least half a century. For decades, owners operated under a familiar set of assumptions: cap rates would trade within a relatively narrow band, debt would be refinaneable, leases would provide predictable income, rents would rise over time, and physical assets would remain reliable stores of value for long-duration capital.

That framework is no longer sufficient.

The next cycle will not reward owners who simply repeat the strategies that worked during the last thirty years. It will reward operators who understand that real estate is becoming more operationally demanding, more capital intensive, more exposed to monetary debasement, and less able to rely on passive appreciation as the default outcome. Owners who fail to adapt may still own buildings, collect rent, and stay busy, but the returns will no longer justify the risk, effort and opportunity cost.

The competitive landscape has changed. Investors are questioning the risk-free rate. Minimum hurdle rates are moving higher. Capital allocation decisions are becoming more intentional. Liquidity, energy, technology, tenant quality, and balance sheet strategy are becoming just as important as location, leverage, and leasing.

A property generating a mid-single-digit annual return or a conventional 15% to 20% IRR on exit may no longer be compelling when investors compare it against monetary debasement, liquidity risk, higher opportunity costs, and a digitally native asset with a radically different return and collateral profile.

That asset is Bitcoin.

This playbook is not about replacing commercial real estate with Bitcoin. It is about integrating Bitcoin into the way commercial real estate owners manage liquidity, finance assets, operate properties, evaluate tenants, preserve purchasing power, and build resilience across cycles.

The objective: use Bitcoin to make commercial real estate ownership more durable, more liquid, more tax-advantaged, more operationally resilient, and better positioned for a monetary regime that is changing in real time.

The best commercial real estate operators of the future will not be experts in real estate alone. They will understand real estate, Bitcoin, energy, and technology at a high level, and they will know how to integrate all four into the business plan. That skill set will become increasingly non-negotiable.

The Three Operating Categories

Category	Core Question	Bitcoin Integration Objective
Treasury	How should owners manage cash, liquidity, reserves, and long-term purchasing power?	Segment liquidity by time horizon: dollars for immediate needs, high-yield vehicles for medium-term reserves, and spot Bitcoin for long-term strategic capital.
Capital Stack	How should owners finance properties, structure debt, raise capital, and use collateral?	Integrate Bitcoin into refinances, acquisitions, dual-collateral loan structures, sponsor liquidity, and investor reporting.
Operations	How should owners protect NOI, reduce expenses, create revenue streams, and attract better tenants?	Use Bitcoin-related tools in energy strategy, mining feasibility, rent payments, security deposits, and brand positioning.

Three Themes Across this Entire Playbook

Optionality. Real estate is illiquid and capital intensive. Bitcoin adds liquidity, mobility and collateral flexibility. That optionality can be used to bridge vacancies, fund tenant improvements, support debt service, move quickly on acquisitions, or avoid forced sales in difficult markets.

Tax efficiency. Commercial real estate is already one of the most tax-advantaged asset classes. When Bitcoin is integrated correctly, the strategy can become materially more powerful. Depreciation, refinancing, tax-loss harvesting, cost basis planning, estate planning, and entity structuring should be coordinated rather than treated as separate conversations.

Brand and asset value. Bitcoin integration signals discipline, forward thinking, technological awareness, and financial strength. Over time, Bitcoin-friendly assets may attract stronger tenants, more aligned investors, more sophisticated lenders, and buyers who value a higher-quality tenant base and a more resilient sponsor.

Part 1: The Case for a Bitcoin Strategy in Commercial Real Estate

The Old Playbook Is Breaking

Commercial real estate has always been a leveraged asset class. That is not a flaw. It is the model.

Owners use debt to acquire or improve physical assets. Tenants generate rent. Rent supports debt service. Net operating income drives value. Value supports refinancing, sales, distributions, and future acquisitions.

When credit is cheap, rents are rising, and cap rates are stable or compressing, the model works beautifully. A competent operator can buy an asset, finance it, improve it, raise rents, refinance, and repeat the process.

That was the dominant playbook for much of the last generation. But the environment has changed.

Interest rates are structurally higher than the post-GFC period. Insurance, labor, utilities, repairs, taxes, and compliance costs are increasing faster than many lease escalations. Tenants are more selective. Lenders are more conservative. Capital expenditure requirements are rising. Functional obsolescence is accelerating. Energy demand is becoming a central operating issue. Artificial intelligence is beginning to disrupt tenant business models and investors can no longer assume that simply holding a building for ten years will produce the same result it did in prior cycles.

The issue is not that commercial real estate is dead. That is lazy thinking. The issue is that commercial real estate is becoming a harder business.

The next cycle will require more than property selection, leverage, and patience. It will require active treasury management, better liquidity planning, more creative financing, energy intelligence, technology adoption, and a willingness to integrate new forms of collateral into an old asset class.

Opportunity Cost Is Now Part of the Underwriting

Commercial real estate owners have historically underwritten returns against other real estate opportunities, prevailing interest rates, and conventional institutional targets. That is no longer enough.

Capital now has more alternatives. Investors can compare illiquid real estate returns against public markets, high-yielding credit, Bitcoin, and other liquid or semi-liquid vehicles. A deal that looks acceptable inside a traditional real estate framework may look weak when evaluated against broader opportunity cost.

This does not mean every real estate investment must outperform Bitcoin. It does mean every owner should understand what capital is being asked to give up: liquidity, flexibility, time, and exposure to a scarce, liquid, globally portable asset that may be better suited to preserving purchasing power over long periods of time.

That shift changes the role of the real estate owner. The owner is no longer just a property operator. The owner is a capital allocator.

Real Estate Produces Income. Bitcoin Preserves Purchasing Power.

Real estate and Bitcoin solve different problems.

Commercial real estate produces income. It serves tenants, supports businesses, anchors communities, and can generate durable cash flow when operated well.

Bitcoin does not produce income. It does not pay rent. It does not lease space. It does not require a roof replacement, tenant improvement allowance, broker commission, insurance renewal, or refinancing negotiation. At the asset level, Bitcoin has zero carry cost.

Bitcoin preserves purchasing power through fixed supply, global liquidity, bearer ownership, and a monetary policy that cannot be changed by a central committee.

That difference is the opportunity. Real estate owners should not think of Bitcoin as a competing property type. They should think of Bitcoin as a complementary balance sheet asset, liquidity

reserve, collateral tool, and monetary hedge that can strengthen the ownership of physical property.

Real estate is the income engine. Bitcoin is the reserve asset. When combined intelligently, the ownership model becomes more resilient.

The Fifth Return Driver: Balance Sheet Appreciation

Traditional commercial real estate equity value is driven by a familiar set of levers:

1. NOI growth: increasing income, reducing expenses, or both.
2. Cap rate movement: market pricing, interest rates, and risk appetite.
3. Leverage: debt structure, cost of capital, amortization, maturity, and refinancing terms.
4. Capital improvements: modernization, repositioning, tenant improvements, amenities, energy upgrades, and physical improvements.

Bitcoin introduces a fifth return driver: balance sheet appreciation.

When a property owner holds Bitcoin at the entity, portfolio, fund, sponsor, or family office level, part of the ownership value is no longer tied only to the building's operating performance. A portion of the owner's value is tied to a liquid, global, monetizing asset that can appreciate independently of local rent growth, leasing velocity, cap rates, construction costs, and refinancing conditions.

This does not eliminate operating risk. It does not make a weak property strong. It does not replace disciplined underwriting. But it changes the equation.

A real estate owner with a meaningful Bitcoin reserve has more flexibility than an owner whose entire net worth is trapped inside illiquid property equity. That reserve can help bridge vacancies, fund tenant improvements, reduce refinancing pressure, move faster on acquisitions, absorb unexpected expenses, and preserve purchasing power while waiting for better market conditions.

In a world where liquidity is increasingly valuable, the fifth return driver matters.

Part 2: Treasury — Cash Management for the Bitcoin Era

Why Treasury Management Matters Now

Treasury is just a fancy term for cash management.

For many commercial real estate owners, treasury management has historically been an afterthought. The focus has been acquisition, financing, leasing, operations, and exit strategy. Cash reserves were treated as a defensive buffer: necessary, but not strategic.

That mindset is outdated. Cash is not neutral. Dollars held in a bank account may be liquid, but they are also exposed to purchasing power erosion, banking counterparty risk, and reinvestment risk. At the same time, real estate requires cash constantly: debt service, reserves, leasing costs,

tenant improvements, taxes, insurance, maintenance, capital expenditures, and partnership obligations.

The objective is not to eliminate cash. The objective is to stop treating all liquidity as if it has the same purpose.

A modern commercial real estate treasury should be divided by time horizon. The shorter the time horizon, the more stability matters. The longer the time horizon, the more purchasing power preservation matters.

The Three-Tranche Treasury Framework

Tranche	Time Horizon	Purpose	Primary Objective
U.S. Dollar Cash	1 to 3 months	Operating expenses, debt service, emergencies, payroll, vendor payments, near-term obligations.	Stability and immediate access.
High-Yield Stable Reserves	3 to 12-18 months	Intermediate reserves, planned capital needs, leasing costs, tax payments, insurance, capital projects, and distributions.	Principal stability, liquidity, and medium-term purchasing power defense.
Spot Bitcoin in Cold Storage	18+ months	Long-term reserves, strategic capital, collateral, liquidity optionality, and purchasing power preservation.	Durable ownership of pristine collateral.

1. U.S. Dollar Cash: Immediate Liquidity

Every property or portfolio needs dollar liquidity. This is the cash required to keep the asset operating. It covers debt service, vendor payments, repairs, utilities, payroll, recurring ownership expenses, and near-term capital obligations. It is not a return-seeking asset. It is a liquidity buffer.

For most commercial real estate owners, this tranche should remain in dollars or dollar-equivalent bank products because the timing of the liabilities is too short to justify any volatility.

But the amount should be intentional. Too little cash creates fragility. Too much cash creates purchasing power erosion.

The first step is to calculate the true monthly cash requirement for each property and portfolio. That includes operating expenses, debt service, recurring reserves, known capital expenditures, leasing obligations, and contingency needs. Once that number is clear, the owner can determine how much dollar cash is actually required.

For many stabilized assets, one to three months of operating liquidity may be sufficient. For transitional assets, heavy leasing assets, construction projects, or properties with near-term debt maturities, the dollar reserve may need to be larger.

The key is discipline: dollars should serve a defined purpose. They should not become the default home for all idle capital.

2. High-Yield Stable Reserves: Medium-Term Liquidity

The second tranche is designed for medium-term liquidity: capital that may be needed within the next year, but not necessarily within the next 30 to 90 days.

Examples include anticipated tenant improvements, leasing commissions, property tax payments, insurance renewals, capital projects, partnership distributions, scheduled debt events, or capital reserves that should remain available but do not need to sit idle in a non-yielding checking account.

This tranche should not be built around volatility. The objective is not to speculate. The objective is to keep principal stable, preserve liquidity, and earn a reasonable yield while the capital waits for a defined future use.

For most commercial real estate owners, this bucket may include U.S. Treasury bills, money market funds, FDIC-insured high-yield cash accounts, short-duration government-backed instruments, or similar conservative reserve vehicles. The common characteristics should be clear: high liquidity, low credit risk, limited principal volatility, transparent reporting, and a yield that is superior to idle cash.

Bitcoin-related products may also have a role in this tranche, but they should be evaluated carefully. “Digital credit” products are high-yielding credit instruments built around Bitcoin-related capital markets infrastructure. These products are currently marketed with target yields in the 10% to 13% annualized range, regular monthly or more frequent distributions, U.S.-regulated structures, tax-advantaged, and secondary market liquidity. Exact terms, risks, liquidity, tax treatment, and regulatory status must be verified before implementation.

They are still new financial products and should not be treated as risk-free cash equivalents. They may be appropriate as a portion of the intermediate reserve bucket, but not necessarily as the entire bucket.

Another option is to use Bitcoin-native financial providers that allow owners to earn interest on cash balances with the interest paid in Bitcoin. For example, River, a bitcoin-only exchange, currently pays 3.30% interest on cash accounts, with interest paid in Bitcoin. The account is FDIC insured. This type of structure does not replace a full treasury strategy, but it may allow an owner to keep short- or medium-term cash stable while passively accumulating Bitcoin.

The key is balance. The intermediate reserve tranche should serve the property first. It should protect liquidity, preserve optionality, and avoid unnecessary volatility. Yield matters, but only after principal stability and access have been addressed.

A thoughtful policy may look like this:

- **1 to 3 months** of required liquidity in U.S. dollars.
- **3 to 18 months** of projected liquidity needs in high-yield stable reserve instruments such as Treasury bills, Treasury-only money market funds, insured cash products, conservative sweep accounts, or other approved short-duration vehicles. A limited

allocation, where appropriate, to Bitcoin-adjacent products or cash accounts that pay interest in Bitcoin.

- **18 months and beyond** in spot Bitcoin held for long-term purchasing power preservation and strategic optionality.

The exact allocation depends on property type, tenant profile, debt structure, capital expenditure schedule, ownership objectives, and risk tolerance. The principle is what matters: liquidity should be matched to time horizon.

3. Bitcoin in Cold Storage: Long-Term Strategic Reserves

The third tranche is Bitcoin.

This is not a trading position. It is not a short-term yield strategy. It is not a speculative side bet. It is the long-term reserve asset of the real estate owner.

For commercial real estate, Bitcoin serves several strategic purposes:

- It preserves purchasing power better than idle dollars over long time horizons, assuming a long enough holding period and proper volatility management.
- It provides liquid collateral that can be used outside traditional real estate financing channels.
- It creates a reserve that is not directly tied to the performance of a single property, tenant, lender, submarket, or geography.
- It gives the owner optionality during periods of market stress.
- It creates a monetizing asset that can appreciate independently of NOI growth or cap rate movement.

This tranche should generally be held in a secure cold storage, multi-signature, qualified custody, or multi-institutional custody structure, with clear governance, documented controls, succession planning, and defined access procedures. This is especially important because Bitcoin is a bearer asset: properly secured, ownership is controlled directly by the holder rather than validated by a bank, lender, tenant, or property market. High-quality, institutional-grade custody solutions exist today, but the owner must still choose and govern them carefully. Bitcoin ETFs may be useful for price exposure, but they are not a substitute for directly owned Bitcoin because they reintroduce intermediaries, limit collateral flexibility, and remove the direct-control benefit that makes Bitcoin strategically valuable.

The key distinction is that this Bitcoin should not be treated as a working capital account. It is strategic capital. The owner should expect volatility, and the treasury policy should be designed so the owner is not forced to sell Bitcoin during a drawdown because short-term liquidity was mismanaged.

Allocation Frameworks for CRE Owners

There is no universal allocation. A stabilized multi-tenant industrial property with low leverage has a different risk profile than a suburban office building with a major lease rollover in eighteen

months. A family office with low basis and no debt has different flexibility than a developer with construction loans and investor reporting obligations.

Framework	Target Allocation	Best Fit	Execution
Conservative	5% to 15% of excess reserves allocated to spot Bitcoin.	Owners new to Bitcoin, assets with co-owners or lender constraints, or properties with near-term leasing/refinancing risk.	DCA over 6 to 12 months after maintaining required reserves.
Moderate	15% to 35% of excess reserves allocated to spot Bitcoin, with medium-term liquidity in approved alternative products.	Stabilized properties or portfolios with predictable cash flow, manageable leverage, and longer hold periods.	Combination of lump-sum conversion of excess cash and recurring allocation from free cash flow.
Conviction	35%+ of excess reserves, potentially supported by refinancing proceeds or capital markets strategy.	Experienced Bitcoin owners, low-leverage properties, long-duration holds, strong cash flow coverage, and sponsor-controlled assets.	Structured DCA, custody-first implementation, tax/accounting review, lender review, and clear partner alignment.

Conviction does not eliminate underwriting. The risk is not simply Bitcoin volatility. The greater risk is poor balance sheet design: using capital that may be needed too soon, failing to document governance, overleveraging the property, or ignoring custody and security best practices.

Security and custody must be treated as the highest priorities.

Treasury Execution: DCA, Lump Sum, and Rebalancing

Dollar-Cost Averaging from Free Cash Flow

This is the cleanest strategy for most owners. A property generates recurring free cash flow after debt service, reserves, and required distributions. A defined percentage of that free cash flow is allocated to Bitcoin on a monthly or quarterly basis.

For example, an owner might allocate 10% to 25% of recurring free cash flow to Bitcoin after maintaining required reserves. This approach creates discipline, reduces timing anxiety, and turns Bitcoin accumulation into part of the operating cadence of the property.

Lump-Sum Conversion of Excess Cash

If a property or portfolio is holding excess cash beyond required liquidity needs, a lump-sum allocation may be appropriate. This is especially relevant when cash has accumulated from refinancing proceeds, asset sales, retained earnings, or conservative reserve policies that no longer match the actual risk profile.

The owner does not need to convert all excess cash at once. A practical approach may be to deploy a portion immediately and dollar-cost average the balance over several months.

Rebalancing by Policy, Not Emotion

The treasury policy should define when and how rebalancing occurs. Rebalancing should not be driven by panic during drawdowns or euphoria during rallies. It should be tied to objective metrics:

- Minimum dollar liquidity thresholds.
- Maximum allocation percentages.
- Debt service coverage requirements.
- Upcoming lease rollover or capital expenditure events.
- Tax planning opportunities.
- Partnership distribution needs.
- Lender covenant restrictions.
- Custody and signer-control requirements.

The goal is to preserve flexibility while avoiding discretionary decision-making under pressure.

Custody and Governance

Custody is not a technical detail. It is the foundation of the strategy.

Commercial real estate owners are already familiar with controls: authorized signers, lender approvals, reserve accounts, operating agreements, partnership governance, property management procedures, and succession planning. Bitcoin custody should be treated with the same seriousness.

Self-Custody with Multisig

For long-term strategic holdings, multisignature self-custody is often the preferred model for private owners who want to minimize counterparty risk.

A 2-of-3 or 3-of-5 multisig structure can distribute signing authority across multiple devices, locations, and individuals. No single person should be able to lose or move the entire position. No single device should represent a catastrophic point of failure.

Qualified Custody

Some ownership groups require qualified custody due to investor reporting, institutional governance, audit requirements, lender expectations, insurance, or succession planning. A qualified custodian may provide reporting, controls, audit trails, and institutional familiarity. The tradeoff is counterparty risk.

Multi-Institutional Custody

Multi-institutional custody, or MIC, may be appropriate for owners with regulatory requirements, outside investors, large balances, or institutional governance standards. In this model, custody risk is distributed across multiple institutional counterparties or approval layers, reducing reliance on a single provider or signer.

MIC is not a substitute for governance. It still requires documented authority, reporting procedures, disaster recovery, succession planning, and clear transaction approval rules.

Hybrid Custody

Many commercial real estate owners will likely use a hybrid approach:

- Long-term Bitcoin in multisig cold storage.
- Institutional or multi-institutional custody for balances requiring reporting, liquidity, or investor oversight.
- Medium-term liquidity with qualified custodians or approved platforms.
- Operating cash in traditional banking relationships.

The custody structure should be documented before the first purchase is made. The documentation should include authorized initiators, approvers, key locations, backup procedures, succession plans, transaction logs, reporting cadence, and annual review procedures.

A Bitcoin treasury without governance is not a strategy. It is an operational risk.

Accounting, Reporting, and Tax Planning

Bitcoin treasury strategy requires advisors who understand both real estate and digital assets. At minimum, owners should involve:

- A CPA with digital asset accounting experience.
- A tax attorney familiar with real estate ownership structures and Bitcoin.
- A custody advisor or institutional Bitcoin consultant.
- A lender or capital advisor if Bitcoin will be integrated into financing.
- Real estate counsel to update operating agreements, loan covenants, investor disclosures, security deposit provisions, and lease language.

Commercial real estate already has major tax advantages: depreciation, cost segregation, 1031 exchanges, installment sales, refinancing, estate planning, and entity structuring. Bitcoin introduces additional planning considerations, including property treatment, cost basis tracking, tax-loss harvesting, holding period management, entity-level reporting, and fair value accounting considerations where applicable.

The important point is not that every owner should use the same tax strategy. The important point is that Bitcoin should be integrated into the owner's real estate tax planning from the beginning.

Part 3: Capital Stack — Financing Commercial Real Estate with Bitcoin

Why the Capital Stack Needs to Evolve

Commercial real estate is financed on assumptions.

Lenders underwrite rent rolls, debt service coverage, loan-to-value ratios, tenant credit, lease duration, market rents, reserves, sponsor liquidity, and exit cap rates. Equity investors underwrite yield, appreciation, distributions, tax benefits, and exit timing.

But the traditional capital stack also creates a deeper problem: it often forces borrowers to optimize around the loan term rather than the long-term health of the asset.

When the borrower's practical horizon is five to ten years, the incentive is often to maximize near-term economics, preserve current yield, and avoid capital expenditures that may benefit the next owner more than the current owner. That can lead to cheap materials, deferred maintenance, inferior design, insufficient energy investment, and uninspiring built environments.

This is a structural problem. The debt market often rewards assets that look financeable over the near term, not necessarily assets that are durable, efficient, adaptive, and economically resilient over decades.

At the same time, the underlying assumptions are becoming more fragile. A loan that looked conservative at a 4% rate may not look conservative at 7%. A lease that looked durable five years ago may now be below the owner's inflation-adjusted cost structure. A building that looked functional may now require major capital investment to remain competitive. A tenant that looked stable may now face margin compression, automation, or disruption from artificial intelligence.

The traditional capital stack was not designed for a world where monetary debasement, liquidity stress, refinancing uncertainty, energy constraints, tenant disruption, and asset obsolescence all accelerating simultaneously.

Bitcoin can improve the capital stack because it introduces a new form of collateral. Real estate collateral is productive but illiquid. Bitcoin collateral is liquid but volatile. When structured correctly, the combination can be more resilient than either asset alone.

Strategy 1: Cash-Out Refinance to Acquire Bitcoin

The simplest capital stack strategy is the cash-out refinance.

A property with meaningful equity and stable cash flow refinances existing debt. A portion of the cash-out proceeds is allocated to Bitcoin.

This approach has several potential advantages:

- The owner accesses liquidity without selling the property.
- The proceeds are generally treated as non-taxable, subject to tax advisor review.
- The property continues producing income.
- Bitcoin creates a liquid reserve that can appreciate independently of the property and local market conditions.
- The owner diversifies part of the trapped equity out of the building while maintaining ownership.

This strategy is especially relevant for owners with low leverage, long-term holds, and meaningful trapped equity.

According to S&P Global Market Intelligence's updated maturity-wall model, roughly \$3 trillion of U.S. commercial real estate mortgage debt is estimated to mature from 2027 through 2029. Industry estimates vary depending on methodology, loan extensions, and lender category, but the broader point is consistent: this is not a single-year maturity event; commercial real estate is in multi-year refinancing cycle.

If only 10% of the capital connected to that estimated \$3 trillion refinancing cycle were allocated to Bitcoin, that would represent approximately \$300 billion of potential demand.

That number matters because Bitcoin is not another real estate asset with expandable supply, new development pipelines, entitlement risk, and local market absorption. It is a finite-supply monetary asset with a fixed issuance schedule. Let's keep in mind, commercial real estate would not be the only buyer. It would be competing with individuals, family offices, public companies, ETFs, pensions, sovereign entities and global capital allocators all seeking exposure to the same scarce asset.

This is where the asymmetry becomes difficult to ignore. A relatively small allocation from the commercial real estate refinancing market could represent a massive incremental bid into Bitcoin. For the real estate owner, the point is not to predict an exact Bitcoin price. The point is to recognize that trapped property equity converted into a scarce, liquid, globally demanded asset may have a very different appreciation profile than equity left entirely inside an illiquid building during a period of higher rates, tighter credit, rising expenses, and weaker passive appreciation assumptions.

The question is not simply, "Can I refinance?" The better question is: "How much equity should remain trapped in an illiquid asset when a portion of that equity can be converted into liquid, global, pristine collateral?"

Example: The Low-Leverage Industrial Owner

An owner holds a stabilized industrial property with conservative debt, durable tenants, and positive cash flow. The property has appreciated meaningfully over time, but most of the owner's equity remains trapped in the asset.

Instead of selling, the owner refinances at a prudent loan-to-value ratio. The proceeds are divided into three buckets: a dollar liquidity reserve for debt service and operations, a medium-term reserve in approved products, and a long-term Bitcoin position in cold storage.

The property continues to generate rent. The Bitcoin reserve gives the owner more than liquidity; it creates a parallel balance sheet asset with the ability to preserve purchasing power, appreciate asymmetrically, and help bridge a structural transition in commercial real estate where traditional returns may no longer justify the same level of risk and effort. That capital can support future acquisitions, tenant improvements, family office planning, debt reduction, or opportunistic deployment during market dislocations.

Strategy 2: Bitcoin as Collateral for New Acquisitions

The next use case is acquisition financing.

A real estate investor wants to acquire a new property but does not want to sell Bitcoin to raise equity. Instead, the investor uses Bitcoin as part of the collateral package.

This structure can take several forms:

- Bitcoin-backed liquidity used for the equity portion of the acquisition.
- A loan secured by Bitcoin that funds part of the purchase.
- A dual-collateral structure where both the property and Bitcoin support the lender's risk.
- A reserve account funded with Bitcoin or Bitcoin-backed liquidity to support debt service, lease-up, or capital improvements.

The strategic value is clear: the investor can acquire real estate without permanently giving up Bitcoin exposure. Selling Bitcoin to buy real estate may create a tax event and reduce exposure to the asset with the stronger monetary profile. Borrowing against Bitcoin, when structured prudently, may allow the investor to maintain Bitcoin ownership while acquiring an income-producing property.

That is powerful, but it requires conservative structuring. Bitcoin collateral introduces volatility. The loan needs clear rules for loan-to-value thresholds, margin requirements, cure rights, collateral calls, custody, liquidation rights, and borrower protections. The property's income should be strong enough to support debt service without relying on Bitcoin appreciation.

Bitcoin should strengthen the deal. It should not become the reason the deal works.

Strategy 3: Dual-Collateral Loans — Real Estate + Bitcoin

The most important capital stack innovation for commercial real estate may be the dual-collateral loan.

In a traditional real estate loan, the lender relies primarily on the property: value, income, tenant profile, and saleability. The borrower contributes equity, signs guarantees where required, and operates the asset.

In a dual-collateral structure, the lender has two forms of collateral: the commercial property and Bitcoin pledged by the borrower, sponsor, or ownership entity.

This can create better alignment between lender and borrower. From the lender's perspective, Bitcoin adds liquid collateral that can be monitored, valued, and potentially monetized faster than real estate. From the borrower's perspective, Bitcoin may help secure better terms, improve

lender confidence, reduce reliance on personal guarantees, or provide a bridge during transitional periods.

The structure could be useful in several scenarios:

- Refinancing a stabilized property in a tighter lending market.
- Acquiring a property with near-term lease-up risk.
- Funding a redevelopment or repositioning.
- Supporting a major tenant improvement package.
- Reducing lender concern around cap rate expansion or market volatility.
- Providing additional collateral without selling Bitcoin.

The underwriting still begins with the property. Debt service coverage, tenant quality, market position, capital expenditure needs, and sponsor track record still matter. Bitcoin does not replace real estate underwriting. It enhances the credit structure.

Potential Structural Features

- Defined Bitcoin collateral account.
- Third-party, qualified, or multi-institutional custody.
- Daily or periodic collateral valuation.
- Initial loan-to-value thresholds.
- Cure periods for collateral shortfalls.
- Cash trap provisions tied to Bitcoin price movement or property performance.
- Collateral release provisions if the property performs or Bitcoin appreciates.
- Restrictions on rehypothecation.
- Defined liquidation procedures and borrower notice rights.
- Reporting requirements for both the property and Bitcoin collateral.

The best structures will avoid unnecessary liquidation risk. The goal is not to create a margin loan disguised as a real estate loan. The goal is to create a more durable credit instrument that recognizes the strengths and weaknesses of both collateral types.

Real estate provides income and physical utility. Bitcoin provides liquidity and monetary hardness. Together, they can create a credit product better suited for the 21st century.

Why This Matters for Borrowers and Lenders

For borrowers, Bitcoin-integrated financing creates optionality. It may allow an owner to refinance when traditional credit markets are constrained, reduce the need to sell assets at unfavorable prices, access liquidity without triggering a property sale, maintain Bitcoin exposure, support debt service, fund tenant improvements, and negotiate with lenders from a stronger position.

For lenders, Bitcoin can improve the collateral package. Real estate loans can be difficult to resolve when problems arise. Foreclosure takes time. Property sales are uncertain. Values can move

against the lender. Tenant issues can compound quickly. Bitcoin is liquid, globally traded, transparent, and divisible 24/7/365.

A lender that understands Bitcoin may view a borrower with a meaningful Bitcoin reserve as more resilient than a borrower whose entire net worth is tied to illiquid property equity. Over time, this could change how lenders evaluate sponsor strength.

Raising Capital for Future Deals

Bitcoin also changes the equity side of the capital stack.

Traditional real estate syndications raise capital by selling investors on income, depreciation, appreciation, and exit upside. That model will continue, but it will need to evolve.

Future offerings may include Bitcoin-integrated structures such as:

- A property-level Bitcoin treasury reserve.
- Sponsor-level Bitcoin alignment.
- A defined percentage of free cash flow allocated to Bitcoin.
- Bitcoin-denominated performance reporting alongside dollar returns.
- Bitcoin-friendly investor share classes.
- Preferred equity with Bitcoin-related collateral support.
- Acquisition funds that combine real estate income with Bitcoin treasury strategy.
- Bitcoin or satoshi-denominated distributions where legally, operationally, and tax-wise appropriate.

The most compelling structure may be simple: acquire cash-flowing real estate, operate it well, maintain prudent reserves, allocate a portion of excess cash flow to Bitcoin, use Bitcoin as strategic collateral where appropriate, and report performance in both dollars and Bitcoin terms.

This gives investors a more complete view of the opportunity cost of capital. If a property produces a 7% cash-on-cash return but loses purchasing power relative to Bitcoin, investors need to understand that. If a property produces income while also accumulating Bitcoin, the return profile changes.

The next generation of real estate investors will not evaluate deals only in dollars. They will evaluate them against harder monetary benchmarks.

Part 4: Operations — Protecting NOI and Creating New Revenue Streams

The Operating Problem

Commercial real estate valuation depends heavily on net operating income. That makes operating expenses one of the most important issues in the industry for serious operators.

The challenge is straightforward: many operating expenses are rising faster than fixed rent escalations. Insurance, utilities, labor, repairs, maintenance, property taxes, compliance, and capital costs continue to pressure owners. In many leases, annual escalations of 3% to 4% are not enough to offset the real increase in expenses.

That means owners cannot rely solely on rent growth to protect NOI. They need to become more aggressive about expense control, energy strategy, technology integration, operational resilience, and new revenue creation.

Bitcoin belongs in this conversation because Bitcoin mining is fundamentally an energy technology, and Bitcoin payment infrastructure is fundamentally a financial technology.

Energy as a Strategic Operating Category

Energy is one of the most important expense categories in commercial real estate. The traditional response is efficiency: better insulation, window films, LED lighting, improved controls, smart thermostats, commissioning, better building management systems, solar panels, and battery storage.

Those strategies still matter. Owners should pursue them. But Bitcoin mining requires a different underwriting lens than most commercial real estate owners initially assume.

The question is not: “Can this building mine Bitcoin profitably?”

That is usually the wrong starting point. Most commercial properties cannot compete with purpose-built data centers or industrial-scale mining operations on cost per terahash, power pricing, uptime, cooling, or operating scale. If a building owner evaluates mining as a standalone business line, the economics will often disappoint.

The better question is: “This building already consumes energy and already requires heat. Can Bitcoin mining improve, supplement, or reduce the cost of what the property is already doing?”

That shift changes the entire analysis. In a commercial real estate setting, the miner should first be viewed as a heater, boiler supplement, hot water source, load management tool, or energy reuse system. It is not a miner that happens to produce heat. It is a heater that happens to pay the owner in Bitcoin.

That is the unlock. The owner is not asking whether a mining rig can outperform a data center. The owner is asking whether a Bitcoin-powered heating system can be more useful, more efficient, or more economically productive than the heating system already in place.

If the building needs heat anyway, then the Bitcoin generated becomes a financial rebate on top of an existing energy requirement. Unlike a conventional utility rebate, that rebate is not a temporary incentive, diluted credit, or expiring discount. It is Bitcoin: a liquid, scarce, globally traded asset that can be held as part of the property’s treasury strategy.

The Three Operating Modes

Bitcoin mining can be evaluated through three different operating modes. The right mode depends on the property type, local utility costs, available power, climate, tenant needs, mechanical systems, solar production, and the owner's broader strategy.

Operating Mode	Primary Objective	How to Think About it
1. Mine to Heat	Produce useful heat for the building	The primary goal is thermal output. The miner is used to heat air, water, rooms, domestic hot water, pools, laundry systems, or other building systems that already require heat. Bitcoin is the byproduct.
2. Mine to Reduce Net Energy Cost	Lower or offset the property's total heating or energy expense.	The owner uses mining to reduce the effective cost of heating, improve energy efficiency, and capture Bitcoin as a rebate. Any reduction in operating expense can fall directly to NOI, improving property value.
3. Mine to Maximize Bitcoin Output	Run miners as much as possible to produce Bitcoin	This only makes sense where the property has unusually cheap power, abundant solar, underutilized electrical capacity, stranded energy, or another durable power advantage. In this mode, the owner is closer to underwriting a mining operation, so power cost, uptime, hardware, hashprice, and operating discipline matter much more.

Most commercial real estate owners should begin with the first two modes. They should ask whether Bitcoin mining can help the building produce heat more intelligently or reduce net energy costs. The third mode — maximizing Bitcoin output — is appropriate only when the property has a genuine power advantage.

This distinction matters. A multifamily property with recurring hot water demand, a hotel with laundry and domestic hot water loads, or a mixed-use building with consistent heating requirements may not need to “beat” a mining data center. It only needs to determine whether mining heat can reduce the cost of a function the building already performs.

That is a fundamentally different underwriting question.

Applying the Framework by Property Type

Once the owner identifies the operating mode, the next step is determining whether the strategy fits the property. The answer depends on the building's thermal demand, utility rate structure, electrical capacity, mechanical systems, physical layout, tenant sensitivity, climate, solar potential, and operating complexity.

Not every property is a candidate. Many are not. But for the right asset, Bitcoin mining can become another component of the building's energy strategy, similar to HVAC, boilers, water heaters, solar, batteries, controls, and building management systems.

Property Type	Potential Bitcoin/Energy Use Case	Initial Feasibility Questions
Multifamily / Hospitality	Supplemental heat source for domestic hot water, laundry, pool heating, or space heating where thermal demand is consistent.	Does the property have recurring hot water or heating demand? Can miner heat offset boiler or water heating costs? Are utility rates, mechanical space, and ventilation manageable?
Industrial / Flex	Monetize underutilized power capacity, support tenant energy strategy, flexible load management.	Is there unused electrical capacity? Are demand charges material? Can noise, airflow, and tenant disruption be controlled?
Office	Limited mining use in many cases, but possible pilots for heat reuse, tenant engagement, or energy innovation branding.	Is there meaningful heating demand? Would the pilot improve building economics or tenant engagement? Does the complexity justify the benefit?
Retail / Mixed-Use	Back-of-house hot water, food service, small-scale heating applications, solar/battery integration, or tenant-facing innovation.	Is there consistent heat or hot water demand? Are there tenant or customer-facing areas or branding benefits?
Medical / Healthcare-adjacent	Hot water, heating and resiliency applications, subject to strict reliability and compliance review.	Can systems be isolated from critical operations? Are compliance and insurance issues manageable?
Self-Storage	Solar/battery integration, monetization of underutilized electrical capacity, small-scale mining pilots, or energy resilience for climate-controlled facilities	Is there available roof area for solar? Does the facility have climate-controlled units? Can equipment be secured, cooled and monitored with minimal operational burden?
Land	Power-first development strategy, stranded or underutilized energy monetization, grid-adjacent mining, solar/battery development or interim income generation before vertical development	Is the site near power infrastructure? What is the interconnection capacity? Are zoning, utility access, noise and entitlement issues manageable? Can mining create interim revenue while preserving future development optionality?

Implementation Framework

This is not fully plug-and-play, but the industry is moving quickly, and many of the technical, operational, and integration questions already have practical answers. Bitcoin mining heat reuse is already being tested and deployed across residential, commercial, and specialty building applications. For commercial real estate owners, the work should follow a logical sequence.

Phase 1: Assessment

The first phase is determining whether the concept makes economic sense before thinking about hardware. The owner should identify the primary goal: mine to heat, mine to reduce net energy cost, or mine to maximize Bitcoin output. From there, the owner should review utility rates, heating demand, hot water demand, seasonal load patterns, current equipment costs, solar production, demand charges, and the potential energy arbitrage.

The core question is simple: does the building have a real use for the heat, power, or load flexibility created by the miners?

Phase 2: System Design

The second phase is designing the right system for the building before ordering equipment. This includes load assessment and sizing, electrical service capacity, physical space constraints, ventilation, noise control, heat transfer method, controls, monitoring requirements, hardware selection, and integration with existing HVAC, boiler, water heating, solar, or battery systems.

The goal is not to force miners into the building. The goal is to design a building-appropriate system where the mining equipment supports the asset's existing energy and mechanical needs.

Phase 3: Installation and Commissioning

The third phase is installation and commissioning. This includes electrical work, network access, physical equipment installation, thermal integration, control system configuration, safety review, operating procedures, and performance testing.

The important point is that this should be treated like any other building-system installation. It needs planning, documentation, controls, vendor coordination, and accountability.

Phase 4: Monitoring and Operations

The fourth phase is ongoing monitoring. Once installed, the system becomes part of the operating strategy of the property. Asset managers and property managers should track energy savings, Bitcoin output, uptime, heat recovery, maintenance needs, equipment performance, and any tenant or operational issues.

Over time, this should not feel like a separate speculative side project. It should integrate into the same operating cadence as maintenance, tenant relations, leasing and capital planning.

A miner is a heater that pays in Bitcoin. That is the framing commercial real estate owners need to understand.

The question is not, "Can I mine Bitcoin in this building?" The better question is: can Bitcoin mining make my buildings existing energy use more productive?"

Bitcoin Rent Payments

Landlords should consider accepting rent in Bitcoin. This does not mean every tenant will pay in Bitcoin. It does not mean the landlord should force Bitcoin payments into every lease. It means landlords should build the capability to accept Bitcoin from tenants who prefer it.

This may appeal to Bitcoin-native companies, technology companies, international tenants, high-margin professional service firms, tenants with Bitcoin on the balance sheet, and tenants who want payment optionality.

A landlord can structure Bitcoin rent payments in several ways:

1. Immediate conversion to dollars: tenant pays in Bitcoin, landlord converts instantly to dollars to avoid volatility.
2. Partial retention: landlord converts enough to cover operating expenses and keeps a portion in Bitcoin.
3. Full retention: landlord keeps Bitcoin as part of the treasury strategy.
4. Optional payment rail: tenant may pay in dollars or Bitcoin based on lease terms.

Payment infrastructure for these capabilities exists today, but the lease language must be precise. It should address valuation time, exchange rate source, payment confirmation, late payment rules, tax reporting, transaction fees, custody, volatility, and whether the obligation is denominated in dollars or Bitcoin.

For most landlords, the rent obligation should remain dollar-denominated, with Bitcoin serving as an accepted payment rail. That reduces accounting confusion and protects NOI reporting.

Bitcoin Security Deposits

Landlords may also consider accepting security deposits in Bitcoin. This is more complex than rent payments because security deposits are often governed by state law, lease terms, trust accounting requirements, interest rules, and return obligations.

A Bitcoin security deposit could create advantages for both landlord and tenant: the tenant avoids converting Bitcoin to dollars, the landlord may hold a stronger form of collateral, the deposit may appreciate over time, and the structure may attract Bitcoin-native tenants.

The documentation must be carefully drafted. The lease should address whether the deposit is denominated in dollars or Bitcoin, who benefits from appreciation, who bears downside volatility, how deficiencies are cured, when the deposit is valued, how it is returned, whether it must be segregated, and how local law treats the arrangement.

This is not a casual lease addendum. It is a legal and operational product that should be reviewed by counsel before use.

Bitcoin-Friendly Tenants and Asset Quality

Tenant quality drives real estate value. A building occupied by financially strong tenants is worth more than a similar building occupied by weak tenants. Investors already understand this. Credit quality, lease duration, industry exposure, balance sheet strength, and operating history all influence value.

Bitcoin adds a new dimension to tenant quality. A tenant that holds Bitcoin on its balance sheet may be operating from a stronger financial position than a similar tenant holding only dollars. That does not automatically make the tenant creditworthy. The landlord still needs to underwrite the business. But it may be a signal of financial discipline, long-term thinking, and balance sheet resilience.

Over time, properties that attract Bitcoin-friendly tenants may develop a differentiated brand. This matters because commercial real estate is not only a financial asset. It is also a market signal. Tenants choose buildings that reflect their identity, values, and ambitions. Investors buy assets based on income but also based on tenant profile and future demand.

A landlord who integrates Bitcoin payments, treasury policy, energy innovation, and forward-looking lease structures may attract a different kind of tenant: more profitable, more durable, more innovative, and more aligned with long-term thinking. That is not easy to quantify today but intangible value often becomes obvious before it becomes measurable.

Part 5: The Three Recurring Value Drivers

1. Tax Efficiency

Commercial real estate is already tax advantaged. Owners benefit from depreciation, cost segregation, interest deductions, 1031 exchanges, installment sales, estate planning, refinancing, and entity structuring. These tools are part of what makes real estate such a powerful wealth-building vehicle.

Bitcoin can enhance that planning when integrated correctly. Potential planning areas include:

- Holding Bitcoin in the appropriate entity.
- Tracking cost basis by lot.
- Evaluating tax-loss harvesting opportunities.
- Coordinating Bitcoin gains and losses with real estate depreciation.
- Using refinancing proceeds strategically.
- Coordinating estate planning with both property and Bitcoin holdings.
- Evaluating how digital credit products are taxed.
- Aligning distributions, reserves, and asset purchases with the owner's broader tax position.

One important example is tax-loss harvesting. Under current federal treatment, Bitcoin is generally treated as property, not as a security. Wash sale rules have historically applied to stock and securities, which has created planning opportunities for Bitcoin holders. However, this area

should be reviewed regularly because tax law can change, and owners should not implement any strategy without qualified tax counsel.

Another example is refinancing. A property owner may be able to access equity through debt without triggering a sale. Those proceeds can then be allocated to reserves, property improvements, mining integration or Bitcoin, depending on the plan. The tax treatment of proceeds, interest deductibility, and entity-level implications should be reviewed before execution.

The broader point is that real estate and Bitcoin should not be planned separately. The most powerful outcomes may come from coordinating both assets inside one tax, estate, treasury, and capital strategy.

2. Optionality

Real estate creates wealth, but it also traps capital. A building cannot be sold in a day. A refinance cannot always be completed when needed. Tenant improvements require cash before they produce rent. A major vacancy can destabilize the property. A lender can change terms. A buyer can retrade. A market can freeze.

Bitcoin creates optionality because it is liquid, portable, divisible, and globally accepted. For commercial real estate owners, optionality can be used to:

- Bridge a vacancy.
- Fund tenant improvements.
- Support debt service.
- Move quickly on acquisitions.
- Reduce forced-sale risk.
- Negotiate with lenders from a stronger position.
- Maintain liquidity outside the banking system.
- Diversify away from a single asset or market.
- Hold through downturns without selling property at distressed prices.

Optionality is often invisible until it is needed. The owner with liquidity can be patient. The owner without liquidity becomes reactive. Bitcoin gives real estate owners a way to create liquidity without abandoning the income-producing asset.

3. Brand Value and First-Mover Advantage

Bitcoin integration creates a signal. It tells the market that the owner is not operating from yesterday's assumptions. It signals financial discipline, technological awareness, long-term thinking, and a willingness to innovate.

That matters to tenants, investors, lenders, brokers, and future buyers. A landlord who accepts Bitcoin rent, understands Bitcoin collateral, integrates energy strategy, and maintains a Bitcoin treasury may be more attractive to forward-thinking tenants. A sponsor who reports performance in both dollars and Bitcoin terms may appeal to investors who understand opportunity cost. A

borrower with Bitcoin reserves may be more attractive to lenders who value liquidity and collateral depth.

Commercial real estate has always rewarded early positioning. Owners who understood logistics, medical office, data centers, adaptive reuse, mixed-use districts, or lifestyle retail before the market fully repriced those themes benefited disproportionately. Bitcoin integration will become a similar differentiator.

The owners who move first will have more time to build processes, credibility, vendor relationships, tenant awareness, lender comfort, and investor trust.

Part 6: Implementation Roadmap

The first step is not buying Bitcoin. The first step is understanding the property, the portfolio, the ownership structure, and the current liquidity position.

Phase	Primary Objective	Key Actions
1. Property and Portfolio Diagnostic	Identify current risk profile and true excess liquidity.	Review cash balances, operating expenses, debt service, loan maturities, lease rollover, tenant credit, capex, insurance, taxes, utilities, free cash flow, ownership documents, tax basis, refinance capacity, and investor/lender restrictions.
2. Treasury Policy	Convert owner conviction into an defined framework.	Define dollar reserve, medium-term reserve, Bitcoin allocation, approved products, purchase schedule, rebalancing rules, custody, signers, reporting, tax/accounting procedures, emergency liquidity rules, leverage restrictions, and annual review.
3. Custody, Accounting, and Legal Infrastructure	Build the rails before executing.	Select custody solution, establish multisig or institutional custody, implement cost-basis tracking, review tax treatment, update operating agreements, review loan covenants, review insurance, and document succession.
4. Treasury Execution	Begin disciplined accumulation and reporting.	Execute initial lump-sum allocation if appropriate, begin recurring DCA from free cash flow, allocate medium-term reserves, transfer long-term Bitcoin to cold storage, and establish monthly/quarterly reporting.
5. Capital Stack Review	Evaluate financing opportunities and constraints.	Review trapped equity, refinance capacity, acquisition financing, dual-collateral options, investor capital strategy, existing loan documents, and lender education requirements.
6. Operational Integration	Translate the strategy into property-level execution.	Assess energy efficiency, utility load, mining feasibility, solar/battery economics, HVAC and water heating integration, Bitcoin rent payments, security deposit language, and tenant marketing.

7. Ongoing Review	Keep the strategy aligned with property performance and market conditions.	Review Bitcoin holdings, cost basis, liquidity reserves, property performance, DSCR, lease rollover, capex, tax planning, custody controls, and policy compliance quarterly. Conduct annual advisor review.
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Part 7: Practical Use Cases

Use Case 1: Stabilized Property with Excess Cash

A stabilized property generates consistent cash flow and has accumulated more cash than it needs for near-term operations. The owner creates a treasury policy, keeps immediate operating liquidity in dollars, allocates medium-term reserves to approved high-yield vehicles, and begins accumulating Bitcoin with excess capital. The property continues operating normally, but the balance sheet becomes more durable.

Use Case 2: Low-Leverage Owner Preparing for Refinance

A long-term owner has significant equity in a property but does not want to sell. The owner refinances conservatively, uses a portion of the proceeds to strengthen reserves, and allocates a portion to Bitcoin. The owner maintains the income-producing asset while converting part of the trapped equity into liquid collateral.

Use Case 3: Acquisition Using Bitcoin Collateral

An investor wants to acquire a property but does not want to sell Bitcoin. The investor uses Bitcoin as part of the collateral package or borrows against Bitcoin to fund part of the equity requirement. The property must still underwrite on its own merits, but Bitcoin helps preserve long-term exposure and improves liquidity.

Use Case 4: Energy Cost Reduction and Optimization

A property owner evaluates whether Bitcoin mining can make the building's existing energy use more productive. The owner must identify the right operating mode: mining to heat, mining to reduce net energy cost, or mining to maximize Bitcoin output. For most properties, the strongest use case will be using miners as a supplemental heat source or using Bitcoin output to reduce the property's effective energy expense. If the economics and physical integration work, mining becomes part of the property's operating strategy and another building-system tool that improves NOI and has the potential to create a new income stream.

Use Case 5: Bitcoin-Friendly Tenant Strategy

A landlord wants to differentiate a property and attract forward-thinking tenants. The landlord accepts Bitcoin rent payments, drafts Bitcoin security deposit language, markets the property to Bitcoin-native and technology-forward businesses, and evaluates tenant balance sheets with a broader understanding of digital assets. The building becomes more than space. It becomes a signal.

Use Case 6: Investor Reporting in Bitcoin Terms

A sponsor reports performance in dollars and Bitcoin terms. Investors still receive conventional metrics such as cash-on-cash return, IRR, equity multiple, debt yield, and DSCR, but they also see how the investment performed relative to Bitcoin. This forces a more honest conversation about opportunity cost, liquidity, and purchasing power.

Part 8: What Not to Do

Bitcoin integration can strengthen commercial real estate ownership, but only if implemented responsibly. Owners should avoid the following mistakes:

- **Do not use short-term operating cash for long-term Bitcoin.** Bitcoin is volatile. Near-term obligations should not depend on selling Bitcoin at a favorable price.
- **Do not overleverage a weak property to buy Bitcoin.** If the property cannot comfortably service the debt, Bitcoin does not solve the problem. It may make the risk worse.
- **Do not ignore custody.** Poor custody can destroy the strategy. Governance, backups, succession, and controls are mandatory.
- **Do not treat digital credit products as risk-free cash.** Digital credit products may be useful, but they are not the same as dollars and not the same as spot Bitcoin. They require product-level due diligence.
- **Do not accept Bitcoin rent without lease language.** Payment timing, valuation, tax reporting, default rules, and conversion policies must be documented.
- **Do not assume lenders or investors understand the strategy.** Education and documentation are part of the work. A good strategy poorly explained will still create friction.
- **Do not confuse conviction with process.** Bitcoin rewards long-term conviction. Commercial real estate rewards operational discipline. The best owners will need both.

Part 9: Advisor and Vendor Categories

Owners should build a team before implementation. The right advisors are not optional; they are the control system for the strategy.

Bitcoin Custody Provider

Look for institutional experience, clear controls, insurance, reporting support, audit support, and a track record through market cycles. Bitcoin-only expertise is strongly preferred.

Multisig Infrastructure Provider

Look for open-source standards, hardware wallet support, key distribution planning, inheritance and succession tools, and enterprise-grade support.

Qualified or Multi-Institutional Custody Provider

Look for regulated custody, reporting, controls, insurance, governance support, and clarity around counterparty risk, rehypothecation, and transaction authorization.

CPA with Digital Asset Experience

The CPA should understand real estate accounting, entity structures, fair value reporting, cost basis tracking, Bitcoin transaction records, and investor reporting.

Tax Attorney

The tax attorney should understand real estate depreciation, refinancing, partnership taxation, estate planning, digital assets, tax-loss harvesting, and entity structuring.

Real Estate Counsel

Counsel should review lease language, operating agreements, lender covenants, investor disclosures, security deposit rules, and tenant payment provisions.

Capital Advisor or Lender

Owners pursuing refinance, acquisition financing, or dual-collateral structures need capital partners who understand both real estate and Bitcoin.

Energy Engineer or Consultant

For mining integration, owners need technical expertise in utility rates, heat reuse, HVAC, electrical infrastructure, solar, batteries, interconnection, and building operations.

Part 10: Real World Examples

Treasury Management:

West Main Self Storage is a 69,000-square-foot facility with approximately 256 climate-controlled units located in Rhode Island. The property has implemented a defined treasury strategy that allocates a portion of weekly free cash flow into Bitcoin through a systematic dollar-cost averaging program.

West Main has also incorporated digital credit products, or “digital rents,” such as STRC, into its treasury strategy. This position serves multiple purposes: it can enhance property NOI, support additional Bitcoin accumulation, provide a liquid medium-term capital bucket, and potentially serve as collateral when needed.

The result is a more dynamic treasury model. The property continues to operate as a traditional income-producing real estate asset, while its treasury strategy creates additional liquidity, purchasing power protection, and long-term balance sheet optionality.

As of July 31, 2026, their treasury can cover 7 years of mortgage payments.

Bitcoin Integrated Financing:

A mixed-use property in Philadelphia provides a practical example of how Bitcoin can be integrated directly into the commercial real estate capital stack. The asset consists of 60 residential units and 3 commercial units across three historically significant buildings connected by an interior courtyard.

The proposed financing structure included an \$11 million loan secured by both a first lien mortgage on the real estate and a pledge of Bitcoin. Loan proceeds were designed to refinance the existing first lien loan, fund \$250,000 of building improvements, and allocate \$1.5 million toward the purchase of Bitcoin.

The borrower was able to refinance the property, fund necessary improvements, and convert a portion of embedded real estate equity into a liquid Bitcoin reserve without selling the asset. At the same time, the lender received traditional real estate collateral, current income, downside protection through the combined collateral package, and structured participation in potential Bitcoin appreciation. The result is a more dynamic capital stack.

The deal was recognized as a CoStar Development of the Year award 2025 recipient in the Philadelphia market.

Operational Approaches:

- 1) In 2021, Caruso Properties, a major landlord in Southern California, announced that it had made an initial Bitcoin investment as part of its treasury management strategy, while also accepting Bitcoin rent payments for both residential and retail properties.
- 2) The redevelopment of 402 Main Street in downtown Lyons, Colorado illustrates how Bitcoin mining can be integrated directly into the physical operations of a commercial property. After a fire damaged a prominent building in the heart of downtown, private capital partnered with a local developer to help rebuild the site as a 10,000-square-foot, two-story mixed-use building intended to bring activity back to the center of town. The project is being developed around a Bitcoin mining strategy in which mining equipment helps power the boiler system that heats the property. Under conservative underwriting and Bitcoin growth assumptions, the operators project that mining proceeds can offset the project's construction cost over approximately 15 years.

Part 11: Closing Thesis

Commercial real estate is not going away. It plays a critical role in human society: shelter, business, logistics, medicine, community, and culture all require physical space.

But the world is changing, and the industry needs to change with it.

Markets are questioning the risk-free rate. Minimum hurdle rates are increasing. New competitors for capital have emerged. Investors are becoming more intentional about liquidity, opportunity cost, monetary debasement, and time value of money.

Providing a modest annual return, promising a conventional IRR on exit, and locking up investor capital for years may no longer be competitive if the return profile does not meaningfully exceed the rate at which purchasing power is being diluted. The market often treats 3% to 4% CPI as the inflation hurdle, but that understates the reality. If the monetary base has expanded at approximately 6.8% annually since 1970, and closer to 9.8% annually since 2008¹, then owners need to evaluate returns against a much higher capital preservation threshold. Layer on a 3% CPI environment, and the practical hurdle rate becomes roughly 9.8% to 12.8%, depending on the time period used. Under that lens, earning 6% or 7% annually does not necessarily mean wealth is being created or preserved. It means the owner is simply getting poorer at a slower rate than someone sitting entirely in cash.

The owners who assume the next thirty years will look like the last thirty are taking a dangerous risk. The old model relied heavily on cheap debt, passive appreciation, stable leasing assumptions, and real estate's role as a default store of value. That world is fading.

The next model will require stronger balance sheets, better liquidity, lower operating friction, smarter energy use, more flexible credit structures, higher-quality tenants, and a clearer understanding of monetary competition. The best operators will not be experts in real estate alone. They will understand real estate, Bitcoin, energy, and technology at a high level, because those categories are no longer separate. They are becoming part of the same operating strategy.

Bitcoin gives commercial real estate owners a way to adapt. It can serve as treasury reserve, collateral, liquidity bridge, tax planning tool, tenant signal, energy monetization strategy, and long-term hedge against the erosion of purchasing power.

The purpose is not to turn every real estate owner into a Bitcoin company. The purpose is to make every serious real estate owner ask a better question:

If commercial real estate is becoming more operationally difficult and less reliable as a passive store of value, what should sit beside it on the balance sheet? The answer is Bitcoin.

¹ Source: Board of Governors of the Federal Reserve System, *Monetary Base: Total* [BOGMBASE], retrieved from FRED, Federal Reserve Bank of St. Louis. Data are monthly, not seasonally adjusted, and reported in billions of dollars. Annualized growth rates calculated by author using CAGR: $[(\text{ending value} / \text{beginning value})^{(1 / \text{years})} - 1]$. For the long-term period, the calculation uses December 1970 as the beginning value and April 2026 as the ending value. For the post-2008 period, the calculation uses January 2008 as the beginning value and April 2026 as the ending value. Source URL: <https://fred.stlouisfed.org/data/BOGMBASE>

About the Author

Chris Drzyzga is a commercial real estate advisor, investor, and Bitcoiner based in Southern California. He has spent more than 15 years in commercial real estate, specializing in the leasing and sale of office and industrial properties. As a Partner and Senior Vice President at his firm, Chris has personally directed more than \$400 million in transaction volume and has advised business owners, investors, and operators through acquisitions, dispositions, lease negotiations, market transitions, and capital allocation decisions. His perspective is shaped not only by his brokerage and advisory experience, but also by his own direct investment in commercial real estate, giving him a practical understanding of underwriting, ownership, risk, and long-term asset management.

Since 2018, Chris has also been deeply engaged in Bitcoin research, education, and strategy. His work focuses on the intersection of commercial real estate and Bitcoin, with an emphasis on how the two can complement one another and how Bitcoin can be used to improve, strengthen, and enhance commercial real estate ownership. Throughout this time, Chris has developed relationships with a broad network of bitcoin-only exchanges, custody providers, lenders, payment platforms, attorneys, accountants, mining and energy specialists who can help owners and investors execute the strategies outlined in this playbook. This work reflects the convergence of two disciplines: a commercial real estate practitioner's view of the structural challenges facing the industry, and a Bitcoin-informed strategy for helping owners, investors, and developers adapt to the next era of real estate ownership.

To connect with Chris or discuss the strategies outlined in this playbook, he can be reached on X, LinkedIn, or by email at ChrisDrzyzga@proton.me

Disclaimer

This playbook is for informational and educational purposes only. It does not constitute financial, investment, tax, accounting, legal, lending, engineering, energy, securities, or real estate advice. Commercial real estate owners should consult qualified advisors before implementing any Bitcoin treasury, financing, tax, custody, energy, lease, or operating strategy. Bitcoin is volatile and may lose value. Digital credit products, Bitcoin-backed loans, Bitcoin mining, security deposit structures, and dual-collateral credit products involve risks that require independent due diligence. Past performance is not indicative of future results.

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The answer is Bitcoin.

