

Local Gov'ts Dig Deep to Tackle Regs for Bitcoin Mining

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November 30, 2022 | [Law360 Real Estate Authority](#) | 1 minute read | New York

Bracewell's **David Shargel** recently told *Real Estate Authority* that although cryptocurrency mining has been prominent for more than a decade, it's only in the last few years that it has become a local government and land use issue.

"It makes sense there would be regulations that have the effect of pushing crypto mining operations to more industrial areas and limiting the ways in which the operations have access to the electrical grid," he said.

"I think primarily it's a power issue and these crypto mining operations, if they're big enough, can use many multiples the amount [of electricity] that a typical home uses, which places an enormous amount of stress on the traditional power infrastructure," Shargel added.

The cryptocurrency market's popularity and volatility have come into focus in the last few years as bitcoin's value plummeted and, most recently, major exchange site FTX filed for bankruptcy. Real estate-wise, Shargel said those factors and the tendency for miners to lease rather than own property have kept crypto mines from slicing out a significant portion of real estate development.

It's unclear how much infrastructure and property should be built specifically for the industry, so it's more likely miners would scoop up former industrial facilities like old factories where there's already access to a large amount of electricity, he said.

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