



Land Economy

Light Version

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Structure of Versity's economy

The SITY token and its uses

SITY is the name of the token that powers the Versity ecosystem. There are several use cases for SITY, including:



Monetizing services

SITY can be used to pay for Versity's core services (even though traditional payment methods will also be available):

- including classified ads for real estate rental or sale
- lead acquisition for real estate professionals
- the rental of advertising space such as billboards or posters at bus stops (both fiat and crypto payments will be available for purchasing services).

Medium of exchange on marketplaces

For example, NFTs available on the Versity marketplace can be traded using SITY, with a discount applied to payments made with SITY.

Collective governance

The community can give its opinion on decisions about the future of Versity:

- Community-wide **voting system** based on the SITY token.
- Proposals: any SITY holder can **submit proposals** using the token as a counterpart (collateral).

Staking (*blocked reserve for a specific period*)

Crypto staking involves locking up crypto assets to earn rewards or interest. Some of the revenue generated by Versity will be redistributed to SITY token holders who deposit their tokens in a staking mechanism. Tokens deposited in staking are counted towards the token holder's voting weight in the DAO (cf «DAO: decentralized autonomous organization», page 17).

Visit-to-earn

A portion of the revenue generated by Versity will be redistributed as an incentive for visitors, providing a way to turn passive users into active ones by giving them purchasing power if they contribute positively to the ecosystem (e.g., by spending time in Versity or visiting a certain number of neighborhoods).

Scan-to-earn

The community can contribute to improving the graphics of the virtual Versity environment by providing scanned content, which can be easily done using a smartphone with LIDAR technology. SITY is used here to reward and incentivize the community's contributions.

Build-to-earn

This is an incentive mechanism designed for builders that allows them to be creative and improve the rendering of Parsells. In exchange, builders are rewarded with SITY tokens.



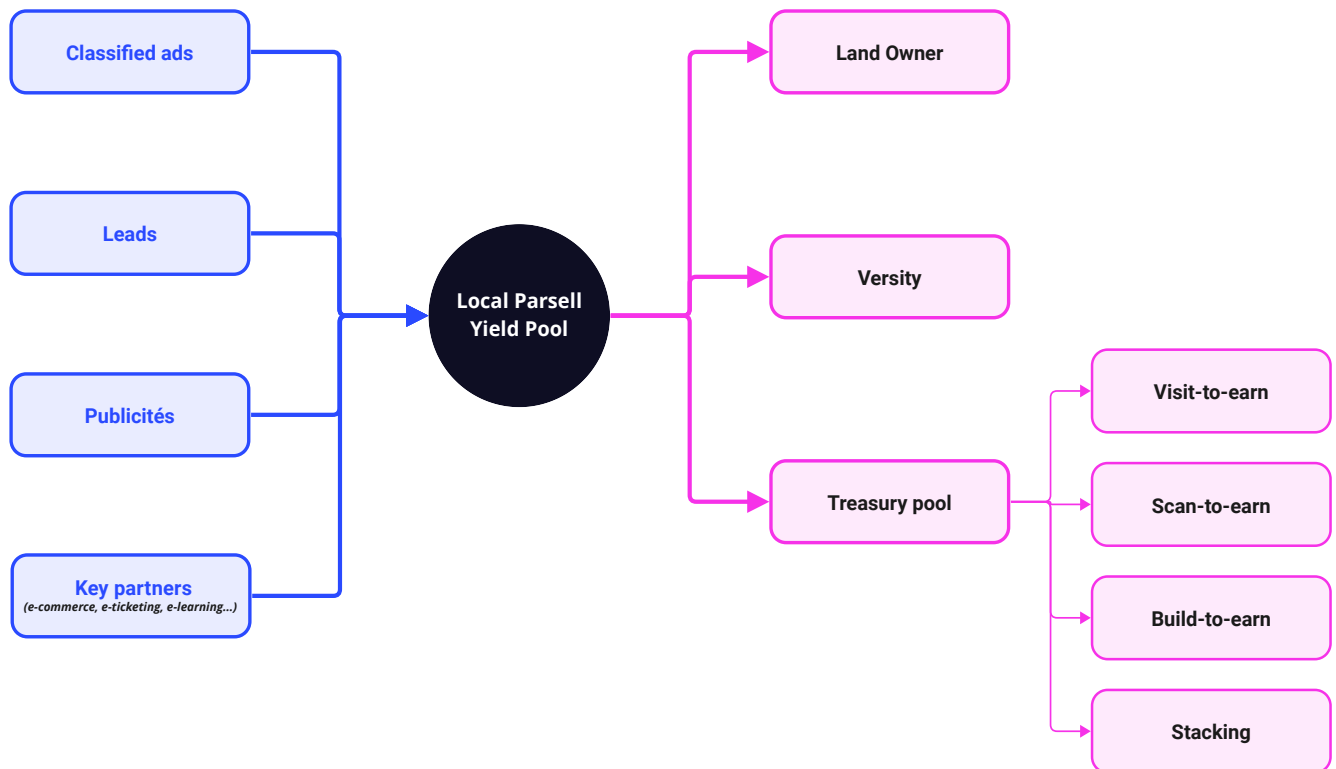
Diagram of the various SITY use cases.



PARSELL economy



Automated revenue sources



Parsell owners' revenue streams

The Versity ecosystem has an automated financial flow management system where incoming revenues (either in fiat: euros, dollars, etc., or in SITY, or crypto) are used to fund various types of expenses, aligned with positive feedback on the overall economy:

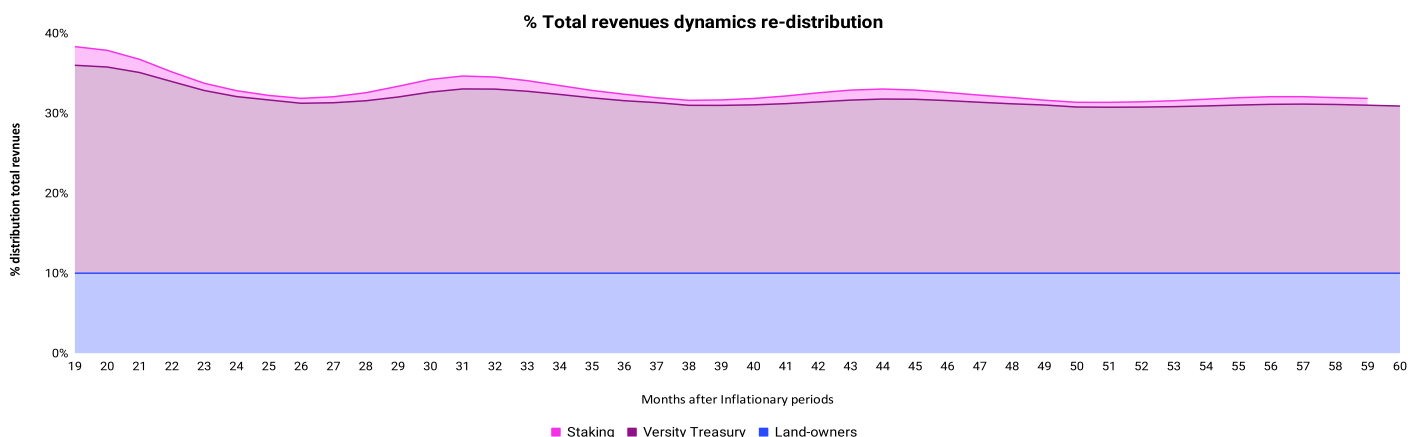
- **Classified ads:** Agencies and property owners can list their properties on the Metaverse for virtual visits.
- **Leads :** Real estate-related professions (developers, banks, insurers, architects, decorators, etc.) can be connected with potential clients. These professionals pay for qualified contacts.
- **Advertising:** Ad spaces sold to brands seeking visibility and an additional distribution channel. These ads may not necessarily be related to the real estate market.
- **Key partners:** E-commerce, e-ticketing, e-learning businesses that will generate revenue streams within the Versity ecosystem.

Parsell owners are directly incentivized by ecosystem revenues, more precisely, the flows that will interest landowners in Versity are represented by the **Landowners** box in the previous diagram. These revenues come from the treasury, and they will be redistributed to other pools belonging to the Versity ecosystem in addition to the landowner:

1. **La Company pool** : Versity's revenue that will pay its employees and contribute to the Metaverse's development.
2. **Buyback pool** : This pool is related to staking expenses, with the goal of providing competitive APRs to SITY holders who decide to deposit their tokens there. Its « buyback » function ensures a continuous buying pressure on the token, in an automated manner.
3. **La Versity treasury pool** : This is where all payments for the three incentive mechanisms (visit to earn, scan to earn, build to earn) come from. This redistribution system encourages the use of the Versity Metaverse, particularly the build-to-earn, which incentivizes asset creators to produce more volume, thereby fueling the marketplace. This will generate more revenue for the PARSELL holder and ultimately the creation of a circular ecosystem.
4. **Landowner** : In addition to managing expenses related to various incentives, the Treasury Pool redistributes 10% of the revenue generated by the three automated sources above (advertising, classified ads, leads, partners) to the landowner.

All of these automated revenues benefit the landowner (PARSELL NFT holder). The landowner can multiply the revenue sources of their PARSELL by developing activities to increase traffic, such as hiring builders to improve the yield of their Parsell (e.g., organizing events).

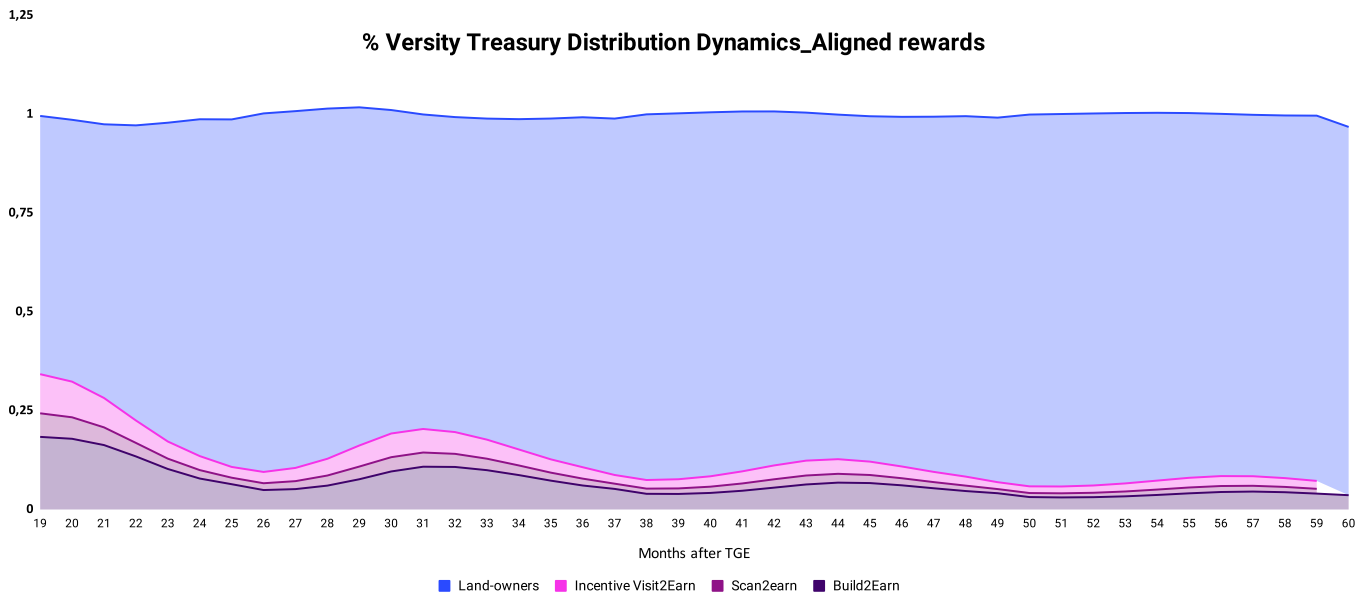
The system is built on a circular economy, thanks to the creation of a value loop between revenues related to the use of the Metaverse and incentive expenses that promote them.



The diagram above shows the distribution of real revenues (following the bootstrap phase, where the ecosystem will be directly fueled by SITY from available liquidity) in percentages and under three categories in the period after half of year N+1:

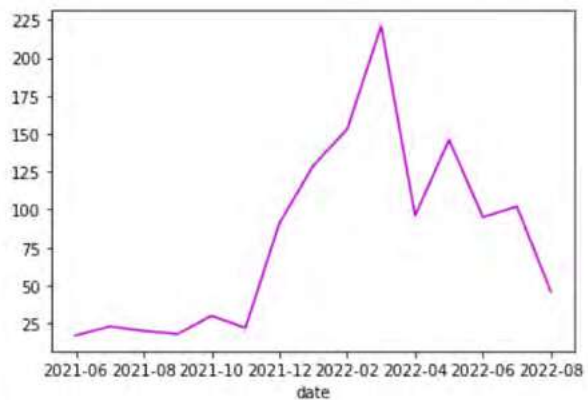
- **Staking** : The percentages of redistribution to stakers are visible in dark blue. The natural seasonality of the crypto market cycles (specifically Bitcoin) explains the variations in this percentage. The SITY must maintain its APR target (Annual Percentage Rate) despite market price fluctuations, so cyclicity scenarios have been added to maintain APR at a competitive level.
- **Versity Treasury** : The percentages of redistribution to the treasury are shown in gray to provide the necessary liquidity for incentive programs (scan-to-earn, visit-to-earn, build-to-earn). The «bootstrap» phase of the ecosystem during its launch explains the decline of this redistribution until the end of year n+2.
- **Landowners** : The percentages of redistribution to landowners in light blue are based on the absolute revenues of the ecosystem (not just the treasury). Thus, the landowner retains an interest in the growth of the ecosystem because their percentage of redistribution remains over time.

To emphasize how the treasury will allocate its revenues to different incentives and landowners, below is the relative redistribution of the treasury once it generates real revenues (after using the SITY reserves from the [TGE](#)):



The share of incentives decreases over time to promote the connection between the number of active users and contributors (incentives for visitors maintain dominance even during this decline).

Indeed, the study provided on the Sandbox and Decentraland ecosystems regarding the number of builders/designers shows the importance of applying this decline (the number of builders over time in these ecosystems is visible on the right).

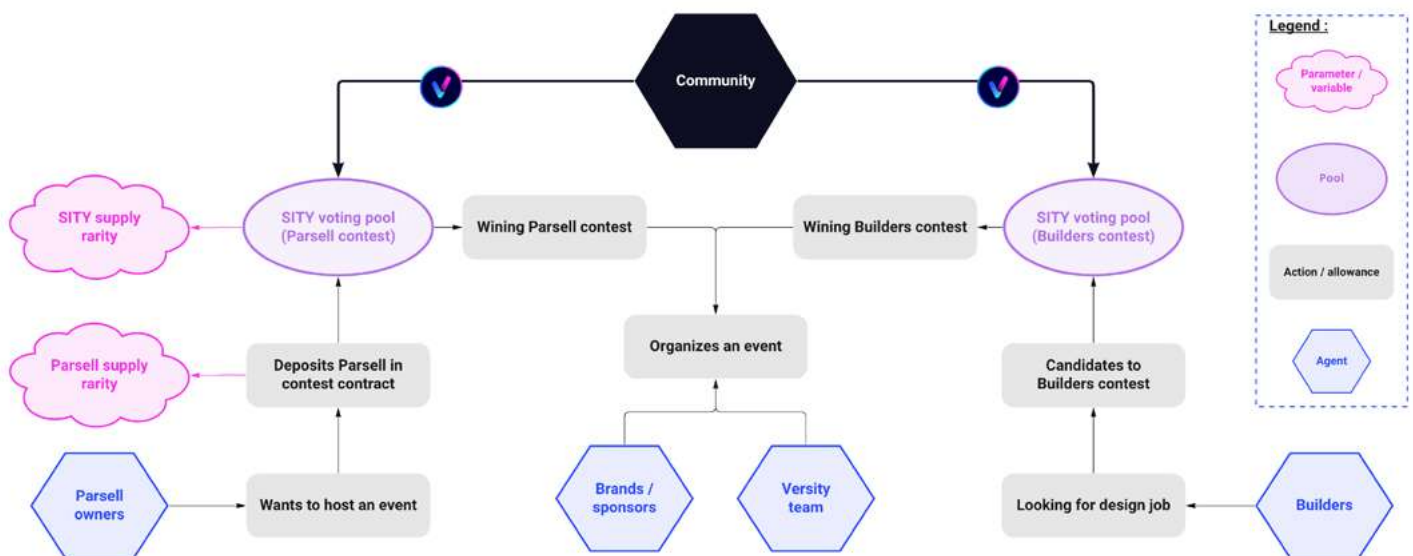


Sources of active revenue (generated by the landowner)

Development of PARSELL

A landowner can actively intervene in the development of their NFT PARSELL's revenue by implementing actions that will increase traffic to it. These actions can be multiple, for example: visual development of the PARSELL to increase visit-to-earn, participating in event contests to invite people to their PARSELL and thus sell e-tickets... (payments can be made in Fiat, SITY, or Crypto)

As previously mentioned, PARSELL owners can organize events and generate additional revenue. When a new event is added to the Varsity calendar, a PARSELL is randomly selected to host it, which will naturally encourage their owners to keep them in anticipation of receiving a lucrative activity.



Integrating the community into Varsity's development

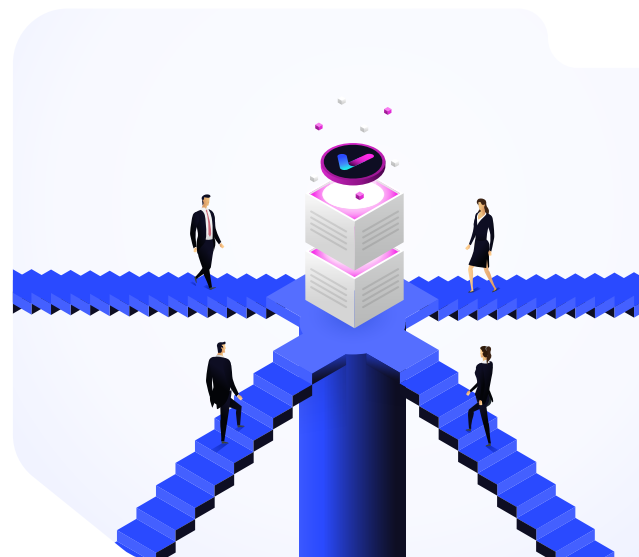
The purpose of this process is to provide a constant supply of **builders** to allocate these actors to different PARSELL development projects, which come from PARSELL owners, the Varsity team, or sponsors/brands. That's why the mechanism will randomly select builders every 6 months (an arbitrary period to be redefined) and redirect them to a 3D task that, once completed, unlocks a SITY reward for them.

- 1 Builders subscribe to the « Builders Contest » by locking collateral in SITY. Note that what is staked can also be locked as collateral. They can then be randomly selected from the « pool of Builders » for the next 6 months, otherwise, they are immediately refunded. In a longer-term vision of the metaverse, we can imagine a rating score for Builders with seniority. This would unlock advantages in voting and the «random» aspect of selections (the random function of drawing will then be weighted by the Builder's rating).



- 2 Once Builders are enrolled in the « pool of Builders », the community exercises voting power in SITY to elect which Builders will be retained for the next 6 months. Here we can imagine recognized Builders or development studios may encourage their community to buy SITY in order to vote for them.

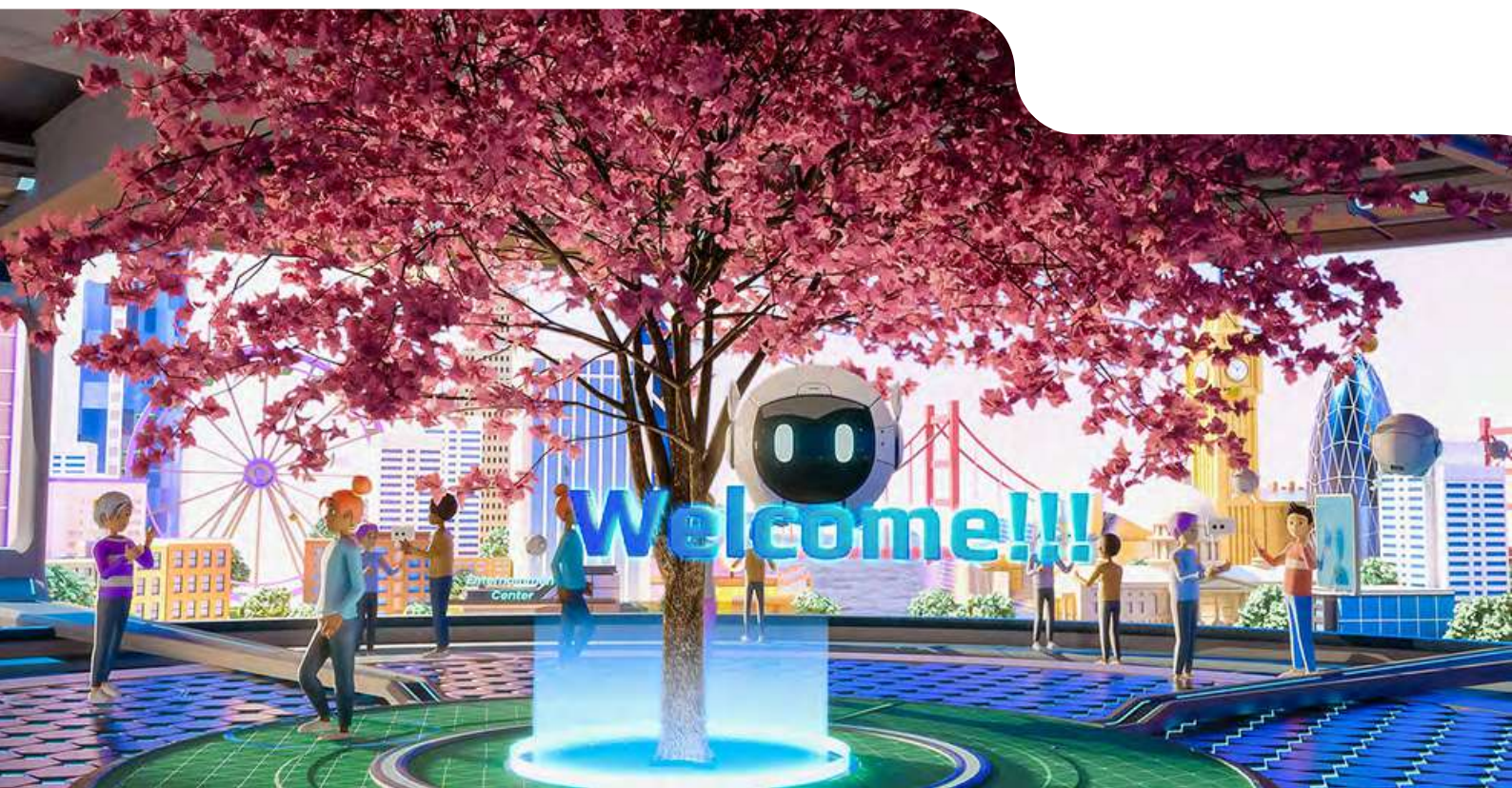
- 3 Once work is completed by elected Builders, compensation is automatically paid to the Builders in question. If they fall behind, a penalty reduces this amount, and in the case of major failure, their collateral deposited in step 1 may be seized.



Organization of events

PARSELL owners can participate in a competition that aims to choose which PARSELL will host the next **brands/sponsors** event so that Builders can then begin design work on the selected PARSELL.

- 1 The competing PARSELL are present in the «contest pool» during the voting period. The community can then exercise voting power with SITY, on one or more PARSELL of their choice. Members of the community who vote for the selected PARSELL will see their SITY blocked until the end of the event and will earn a portion of the revenue generated by the PARSELL holder. Here we can imagine that PARSELL owners will have to conduct a communication campaign and plan an incentive (for example, a collection of NFTs for voters or a higher-than-average percentage of redistribution) to encourage the community to vote in their favor.
- 2 Once the PARSELL is drawn, the Builders, also drawn at random, will be able to build the experience ordered by the «Versity Team» or «Brands/sponsors». The latter will then pay the Builder for the design service, as well as the PARSELL owner for the rental of the latter.



Incentive mechanisms

The goal of this distribution of incentives (rewards) is to gradually give « passive » users purchasing power in exchange for their time and contribution to the Versity economy, in order to convert them into « active » users of the metaverse.



Visite-to-earn

Since the number of visitors to the PARSELL is a key parameter for evaluating the price of ads and leads, incentivizing visitors to visit the PARSELL will result in a positive feedback by increasing the potential revenue of PARSELL owners.



Scan-to-earn

Using sensors available on current smartphones or other LiDAR processes, the community can provide images and videos of the geographical areas represented by the PARSELL and thus improve their 3D renderings. In exchange, an incentive is continuously distributed to these contributors until the concerned PARSELL achieves optimal graphic rendering. This incentive is distributed from the SITY reserves in the ecosystem.

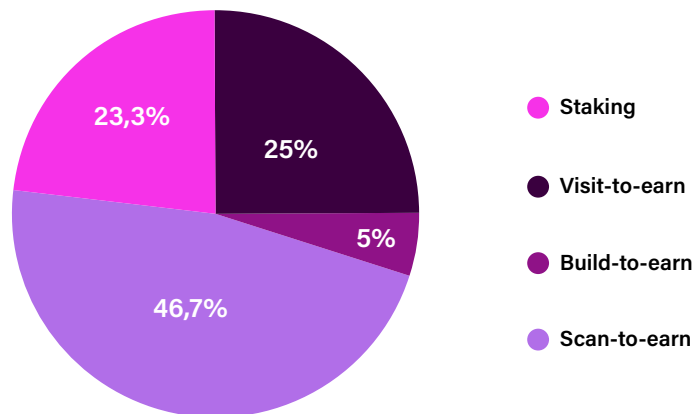


Build-to-earn

Incentivizes Builders who will create experiences on underutilized PARSELL to make them attractive to investors, thus increasing activity flow on the PARSELL and more generally in the metaverse.

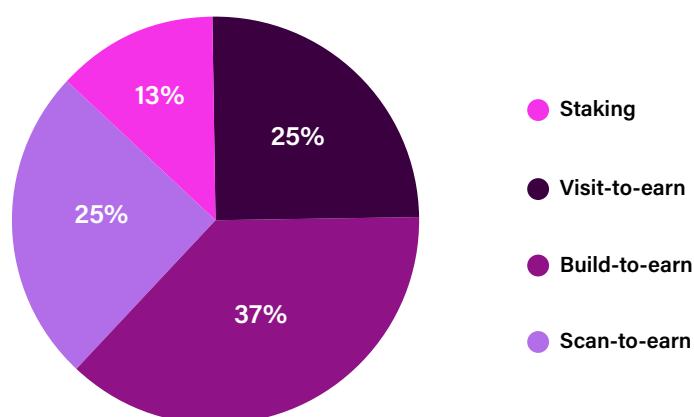
During the SITY token [TGE](#), a percentage of its issuance is dedicated to incentive mechanisms (inflationary rewards). The way this percentage is distributed among the different incentive mechanisms is visible in the graph below:

Initial SITY inflationary rewards - Incentive distribution



In the « automated revenue sources » section of this report, we saw a decline in the percentages related to redistribution to « contributors » (build-to-earn and scan-to-earn). The share of redistribution to « visit-to-earn » is therefore increasing, in order to promote the adoption of « active users ». Here is the same graph as before, once the incentive will focus on « active users »:

Final SITY inflationary rewards - Incentive distribution



Builders' contributions

Builders & 3D artists

3D design will be a highly sought-after skill in Versity (both before and after the launch of the Versity metaverse). To achieve this, Versity will integrate contributors into its community, namely:

- **3D artists** who will create 3D assets (NFTs Objects) for interiors (paintings, furniture, decor...) to equip PARSELL NFTs or apartments;
- **Builders** who will create 3D assets (PARSELL NFTs) for exteriors (buildings, trees, benches, bus stops...) and who can also create experiences of all kinds.

Builders and 3D artists will be integrated as real actors in Versity, just like investors, landowners, visitors, etc...



PARSELL NFTs

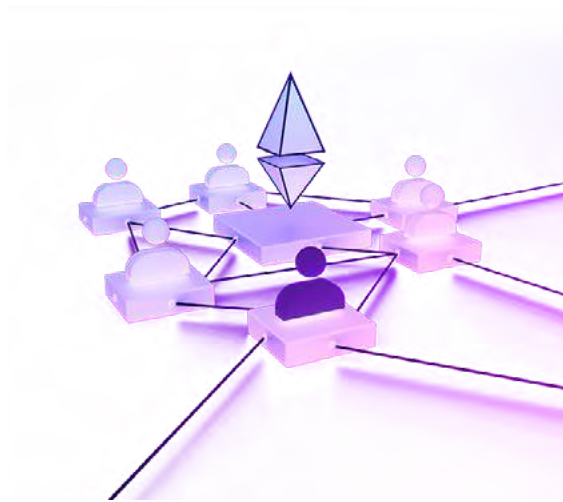
PARSELL NFTs refer to the creation of a non-existent PARSELL in Polygon format (Polygonal modeling is a first mesh, it induces a margin of error which will be finalized, smoothed, and transformed) or in finished format with all the experiences that will allow full immersion (sound, environment, lights...).

Objects NFTs

Objects NFTs refer to the creation of objects by 3D artists that will be used to decorate the interiors of properties to enhance them. For example, paintings, furniture, flowers, decor...



DAO: decentralized autonomous organization



How the Versity DAO works

A DAO (decentralized autonomous organization) is a decentralized autonomous organization that sets itself a mission and operates through a set of smart contracts, allowing governance rules to be established and provided to an organization.

Versity has a «soft» DAO, meaning that the team retains control over the final decisions of the ecosystem. In this case, the DAO serves only to gauge the community's opinion on future directions to take.

It is also a means for more invested members to put forward their proposals for all to see through the «proposal» system. Indeed, any SITY holder can put up a token amount in exchange, called collateral (staked tokens can also serve as collateral), and submit a proposal (e.g., on an update to an economic process, the proposal of a development project, etc.). Thus, this collateral will be seized if the vote is deemed as spam (proportionally to the rate of negative votes).

Anti-dumping mechanism:

The DAO is therefore for Versity an anti-dumping measure, as SITY and NFTs users and holders will have every interest in not parting with them, in order to have the right to submit and enforce their proposals and votes.



The multipliers

Influence multiplier: It is possible here to integrate PARSELL into the DAO, based on an influence multiplier based on the number of PARSELL owned by an owner. This mechanism will add dynamic weight to the SITY tokens deposited in the vote by the owner in question.

Conviction multiplier : When a community member is active in the DAO, they will be rewarded through this mechanism by accumulating voting power based on their diligence. Provided that the SITY from the 1st vote has not been resold in the meantime, it should also be noted that this mechanism is compatible with SITY deposited in Staking.

