



e t h e r t y

INNOVATE. DISRUPT. DELIVER.

# CROWD-SALE & TRADING OF GLOBAL PROPERTIES

SHORTPAPER V7.0



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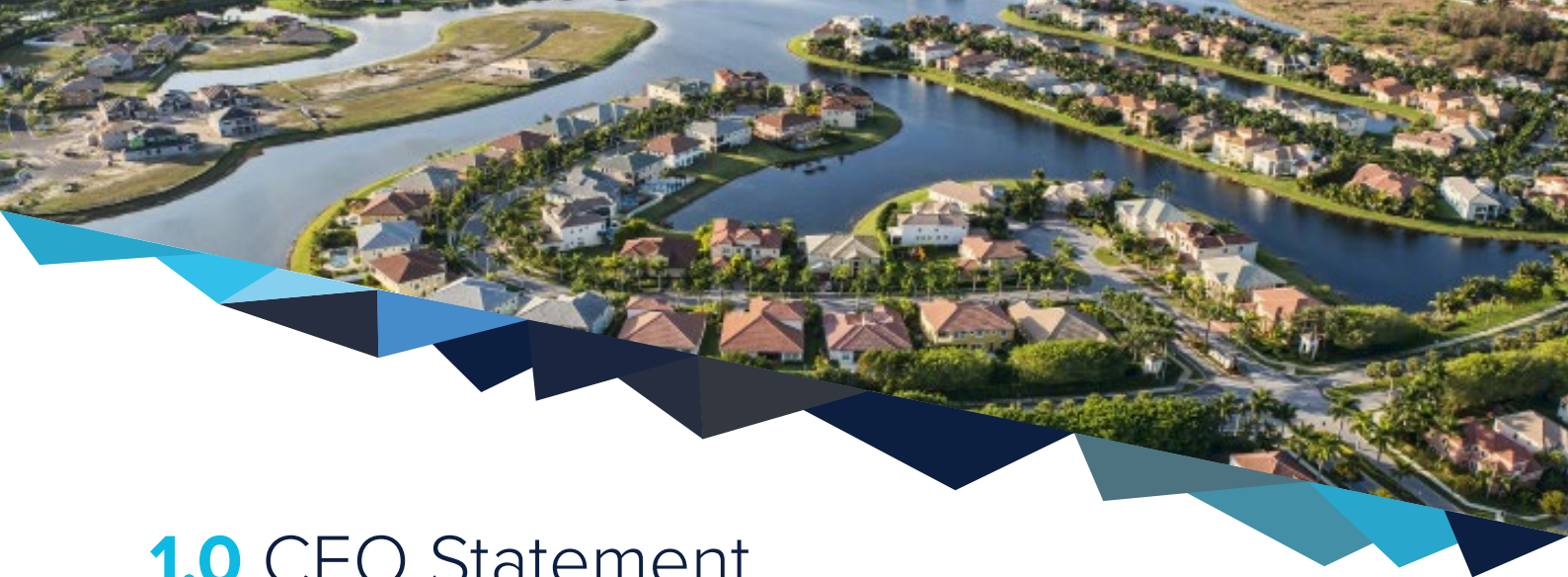
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## 1.0 CEO Statement

I would like to thank you for your interest in our company. We at Ethernity are a vibrant team whose ethos is to innovate, disrupt and deliver - and with our exciting new platform we will do just that in the real estate market. We are a part of the tech movement that innovates and makes services and transactions simpler and more accessible, and we are therefore inherently bold in our approach to servicing the real estate market. Nevertheless, we remain grounded in our bottom-line objective of providing increasing year-on-year value for our investors, customers and stakeholders.

Our business concept capitalises on the increasing local and international investment movement in the real estate market. We make purchasing property much more accessible and easy by breaking the minimum threshold for investment using crowd-investment of Tokenized real estate units (property shares traded as Tokenized units) and by creating a marketplace on our platform to trade their Tokenized real estate shares. We provide all the tools and services necessary for our users throughout the transaction chain – starting with assistance to create the right type of listings, inspecting and gaining valuations of properties and providing stock market type indicators on Tokenized properties, through to completing the transaction by ensuring security and transparency through the Blockchain engine using smart contracts, and putting in place the correct legal in-country documentation and framework in case of multiple owners.

The Ethernity portal will become the one-stop solution for all global or local property transactions from a laptop or smartphone, and enable you to network and share your successes and learnings with fellow real estate investors.

Our team of highly skilled experienced advisors have been carefully selected to ensure a pre-existing network is in place to further our business expansion. Our future collaborators will be similarly selected to ensure that implementation is swift, effective and geared to maximise the success of our entry into new markets.

With our ICO listing the utility tokens can be used on the platform to trade and exchange. Our future property tokens will provide immediate returns for our initial backers from rent, appreciation and trading done on our platform once live. Furthermore, to continue providing year-on-year value, our business model is designed to be scalable and revolves around creating value-added partnerships to implement our solution in every country on our strategic growth plan.

My team and I are very excited to embark on this project, and I am positive that after reading this document you will share the same excitement and join us in this opportunity.

**Best Regards,  
Murtaza A. Khan  
Ethernity**

# 2.0 The Traditional Real Estate Market

The Real Estate Market is a vibrant one, with subsectors offering a portfolio of services, and hence opportunities. From the perspective of a buyer, be it for investment or personal use, the basic options available for a property are as follows

From the perspective of a buyer, be it for investment or personal use, the basic options available for a property are as follows:

1.

### Basic Property purchase with option to rent

- Purchase property for residence
- Purchase a property and wait for value appreciation
- Buy a property and rent it to tenants

2.

### Real Estate Investment Groups

- Real Estate Mutual funds, e.g. TRREX
- Investment groups managing properties through companies

3.

### Real Estate Trading

- Short Term Property 'Flipping' (quick purchase & sale with no improvements undertaken)
- Property 'Flipping' by purchasing undervalued properties, making improvements and selling

4.

### Real Estate Investment Trust

- Type of security that invests, owns and, in most cases, operates real estate properties for returns, e.g. ESRT

There are variations in the above, but with each investment model, depending on the type of buyer and the reasons for investment, there are both upsides and challenges in terms of handling and returns generation, as well as ownership. A few of these are listed below.

INVESTMENT TYPE	Property Ownership	Ease Of Transaction	Capital Requirement	Due Diligence Requirement
Basic property purchase with option to further rent	✓	Easy to Medium*	Full Purchase or Mortgage	Medium to High*
Real Estate Investment Groups	✓	Difficult	Full Entry Portion or loan (high capital req'd)	Medium to High*
Real Estate Trading	✓	Medium	Full Purchase or Mortgage	Very High
Real Estate Investment Trusts	✗	Very Easy	Very Low (1000\$)	Medium to Low

\*Depending on country, structure of investment, with or without property management and other factors.

Figure 1 - Real Estate Investment Types



If the transaction involves a cross-border investment, it becomes much more complicated. Traditional purchase procedures are optimistically along the lines of:



1.

## LOCATE

Locate home through a real estate listing in a newspaper, or on an Online portal.

**(1 - 3 Weeks)**



2.

## INSPECT

Once having shortlisted a few possible options, physically visit the place to ensure everything is satisfactory (involves applying for a visa, creating bank accounts, etc. For international transactions.

**(1-2 Weeks)**



3.

## OFFER

Place an offer and wait to hear back.

**(1 Week)**



4.

## VALUATE

Once a price is settled, engage a 3rd party assessor to inspect property and ensure valuation is what it should be considering work that needs to be done.

**(1 Week)**



5.

## SETTLE

Once having shortlisted a few possible options, physically visit the place to ensure everything is satisfactory (involves applying for a visa, creating bank accounts, etc. For international transactions.

**(1-2 Weeks)**



6.

## TITLE DEED

Place an offer and wait to hear back.

**(1 Week)**

**Figure 2 - Traditional Purchase Procedures**

# 3.0 – Enter the Disruptor

With our ethos to innovate, disrupt and deliver, we are excited to introduce a portal that will forever transform the way we deal in real estate. Etherty commoditises property for everyone and provides a platform that makes it accessible for them



Figure 3 - Real Estate Market Sectors on Etherty

The chart below shows how Etherty's process of buying and selling properties is simplified and made accessible through our portal



1.

User browses Etherty Listings or registers property for purchase through portal for :

- Residence
- Diversifying Investment
- Interest due to growth in a different city or country's real estate sector
- Secondary income from rental
- Etherty property Token purchase for share in property within leaser's available fund.



2.

User references Etherty analytics for pricing fluctuations, area trends, etc for assistance with decision.



3.

Etherty provides inspection and valuation service on request.



4.

Offer submitted and price finalized.  
If mortgage or loan required through Etherty, affiliates are referred.



5.

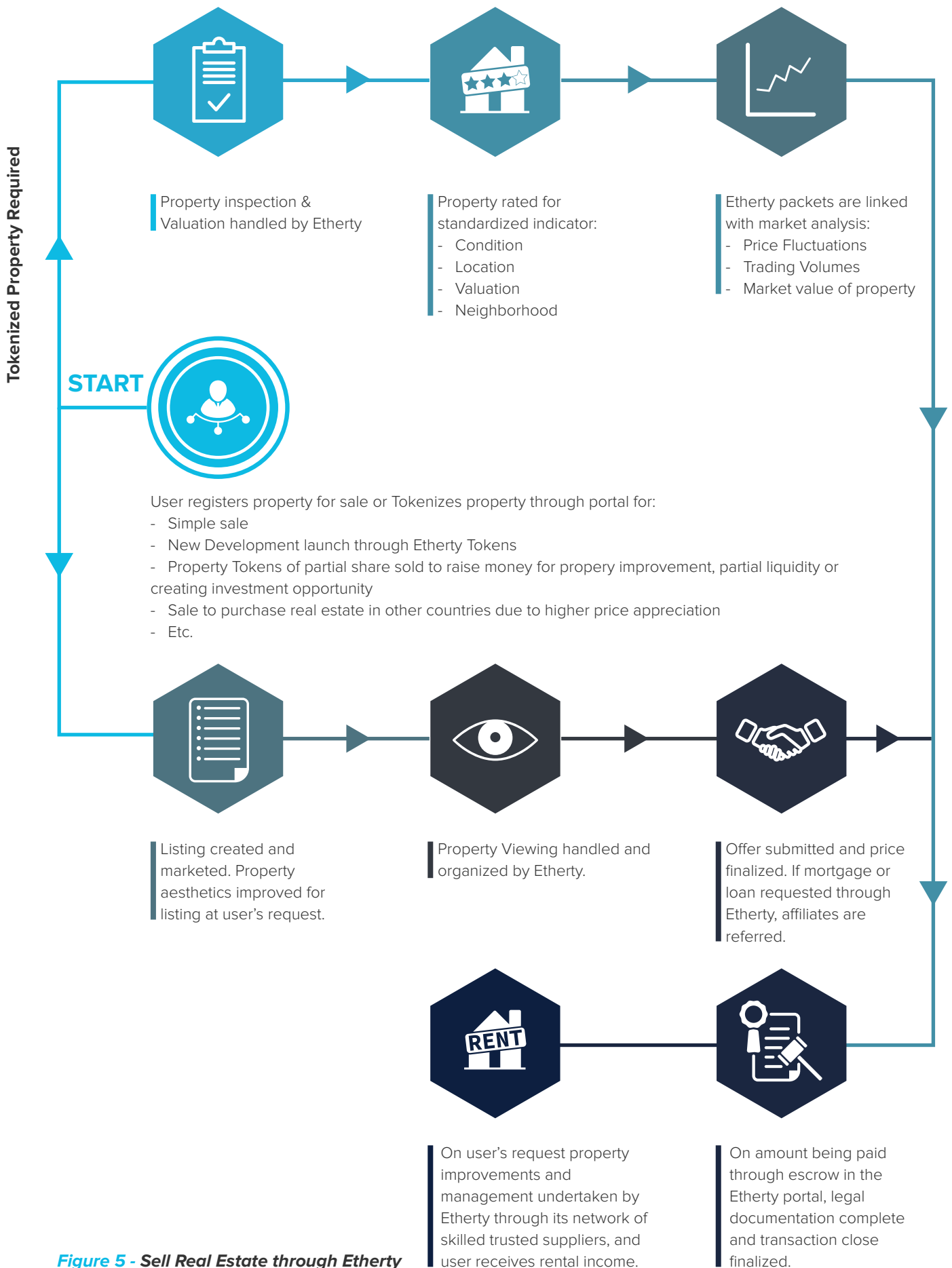
On amount being paid through escrow in the Etherty portal, legal documentation complete and transaction close finalized.



6.

Upon user's request property improvements and management undertaken by Etherty through its network of skilled trusted suppliers, and user receives rental income.

**Figure 4 - Purchase Real Estate through Etherty**



**Figure 5 - Sell Real Estate through Etherty**



## 3.1 Why is Etherty Revolutionary?

Among the components of our offering, three will be game changers in how property deals will be done in the future:

- 1 The Portal - One Stop Solution for Real Estate Transactions**
- 2 Crowd-Sale of Properties powered by Blockchain**
- 3 Etherty Trading Platform (DEX) & Investor Network**

Our unique one-stop solution for a global property investor makes it easy to deal in all stages of the transaction cycle. Our services will include:

1. \_\_\_\_\_  
Launching properties and development for crowd funded partnerships and/or individual sale
2. \_\_\_\_\_  
Creation of Smart Contracts and usage of Blockchain technology for secure and transparent transactions
3. \_\_\_\_\_  
Creation of advanced Sales Listing fit for the modern era
4. \_\_\_\_\_  
Services for advertising and promotion of properties
5. \_\_\_\_\_  
Service for Remote Property viewing
6. \_\_\_\_\_  
Valuation and Inspections
7. \_\_\_\_\_  
Setting up the right legal framework and setup
8. \_\_\_\_\_  
Government verification and completion of transaction
9. \_\_\_\_\_  
Offering skilled tradesmen for improvements and property services

## 3.2 How does Etherty intend on making money?

There are four main revenue sources for Etherty:

- 1. Property Development Launches and Investor crowd funding: Percentage of value (depending on project)**
- 2. Regular commercial and residential unit sale: 1% of unit value**
- 3. Trading of Property Tokens: 0.5% of Trading volume**
- 4. Services provided for sale and purchase of units when required.**

# 4.0 Technical Solution

The Ethernity Portal will consist of 4 main components:

**1.**

Smart Contracts (Solidity, Ethereum)

**2.**

Ethernity Portal (Web/Mobile Apps)

**3.**

Ethernity Trading Platform (Decentralised Exchange, Blockchain & Smart Contract integration, Web/Mobile Apps)

**4.**

Ethernity Services (Facilitated via Web/Mobile Apps)

The following are the technology components of the Ethernity Portal:



Figure 6 - Technology Components

## 4.1 Smart Contracts

Smart Contracts are autonomously deployed once approved and executed as buyers purchase property tokens during the live sales. Ethernity will develop the interfaces to allow real estate sellers to initiate the creation of a smart contract via the web and mobile applications. All terms & conditions of sale including target sale price (validated by valuations from reputed industry professionals), token code, token price, sale period, start & end dates for the property ICO, specific KYC/AML requirements and minimum contributions required from buyers will be set prior to the approval of the listing.

The contract goes live on the dates specified and runs through to the end-date or until the sale price target is achieved. Failure to achieve the sale target will result in all funds being reimbursed to buyers at the conclusion of the sale period. On a successful sale the newly minted tokens are listed on the ETP to allow fast and secure trades.

## 4.2 Ethernity Property Portal

A property owner may wish to sell their property as per the below cases:

- 1 Developer wants to raise investment for development.**
- 2 Real estate developer wants to sell off-plan properties.**
- 3 Sellers and brokers to list properties for crowd-sale.**
- 4 A property owner wishes to liquidate only a portion of the property as he would like to improve or develop the property further**
- 5 A seller may use Ethernity to sell their property but may want to sell without splitting ownership.**
- 6 Portfolio of diverse properties – residential, commercial**
- 7 Platform as a service for real estate investment funds, managed investment schemes & trusts to tokenize and grow their subscription base.**

## 4.3 Crowd-Sale & Trading of Properties

Real estate will be tokenized and made available as a crowd-sale for investors via a smart contract. These sales will function just like ICOs do – time bound, with a target amount based on the 3rd party valuations of the properties on offer. Buyers will be given the option to pay in fiat and cryptocurrency (based on the buyer's location). Funds will be held in an escrow account until the sale is complete. Once the property is registered for ownership, the tokens are distributed and listed on the ETP.

Ethernity will enable the creation of custom Tokens for each project. This will give our users control over realising the returns they are looking for, and also allow them to participate in exciting new global developments that we will release with their existing investment amounts.

There will essentially be two major types of real estate tokens depending on whether the project provides a fixed return after a specified period/time or if each coin represents a unit of property. The two tokens will be:

**1.**

**Project Conception Investment – C Type Tokens**

**2.**

**Project Launch Tokens – D Type Tokens**

Ethernity will work closely with the developer to launch the type of token that best suits the developer's requirement.

## 4.4 Ethernity Trading Platform

The ETP is a custom-built decentralised exchange (DEX). This exchange is based on the principles of a regular stock exchange where the Property Tokens can be liquidated or exchanged for other property tokens, cryptocurrencies or fiat currency.

The ETP platform is envisioned to be the 'social' network for buyers who are new to the property market to mingle with seasoned and experienced investors. Trading information and data from highly successful investors will allow the new members to assess and 'copy' trades of these top performing traders (traders may choose to hide ID) to reduce risk and improve returns. The exchange platform will come with a suite of tools and privacy options that will allow users to maintain a public or private (anonymous) profile on the platform.

The decentralisation of the platform will allow Ethernity Token holders to become a vital part of the system. Active nodes will be rewarded for verification and validation of transactions by earning the right to a percentage of the fees collected for each trade that takes place on the platform.

Every property asset will have a smart contract governing the trades of the property tokens. Token holders will indicate their intention to sell at the current market price. Buyers will be able to purchase using fiat and cryptocurrency (based on the regulations of countries of residence). A small fee will be charged by the platform for validating, verifying and processing the trade which will be included in the final purchase price (paid by buyer & seller). The transaction is immediately recorded on the platform and property tokens are transferred to the buyer while the funds are released to the seller



Figure 7 - Buying and selling property tokens

# 4.5 Etherty Services

The service portfolio will include:

**1.**

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**Creation of advanced Sales Listing fit for the modern era**

**2.**

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**Services for advertising and promotion of properties**

**3.**

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**Service for Remote Property viewing**

**4.**

---

**Valuation and Inspections**

**5.**

---

**Legal framework and business setup for the type of investment**

**6.**

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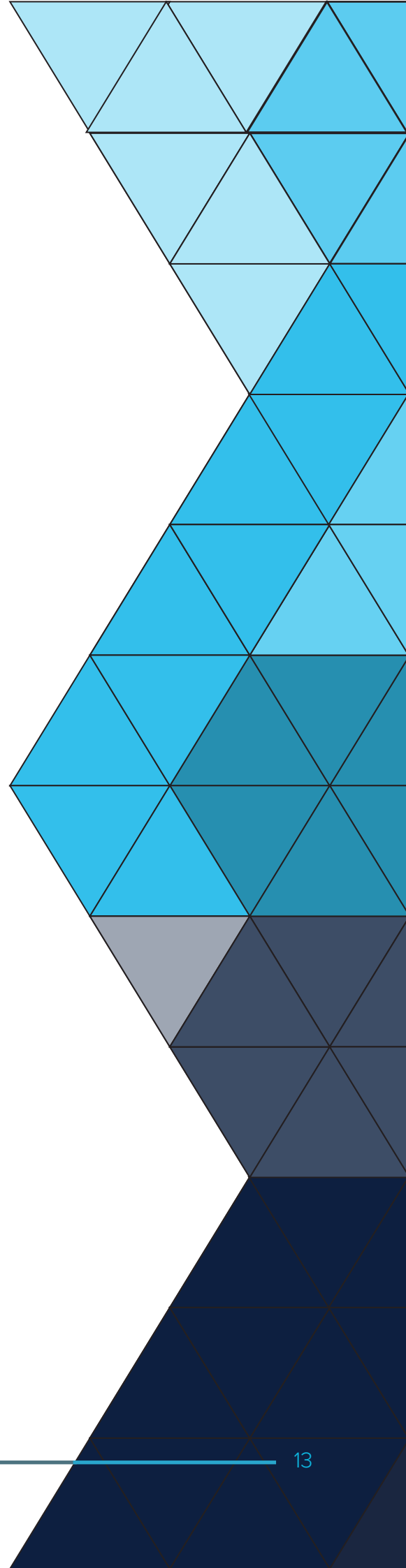
**Government verification and completion of transaction**

**8.**

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**Offering skilled tradesmen for improvements and property services**

- *Tenant Sourcing & Property Management*
- *Insurance, Legal, Loan or Mortgage facilitation*



# 5.0 Etherty Token



## 1.

**Eherty Token is a utility token that enables seamless transactions of a wide range of property assets on the ETP whilst also acting as a medium of exchange and a store of value.**

## 2.

**You can use the Etherty Token to become an active node on the decentralised exchange to earn a share of the transaction fees for the provision of computing power required for the transaction verification service.**

## 3.

**You can use it through the trading activity that Etherty is offering, which essentially is assisting properties to get 'tokenized' or listed on the ETP.**

## 4.

**Token holders may also be able to use the Etherty Token to purchase new real asset tokens by participating in property token offerings.**

There will be a total supply of 240,000,000 ETY tokens. All the tokens will be distributed following the completion of the ICO. New tokens cannot be created and existing tokens cannot be destroyed. As there is a steady rise in the use of the Etherty platform, demand for ETYs will continue to increase, resulting in value appreciation of ETY as more users join the Etherty platform to participate in property sales and perform trades. Our network growth programme will also reward new users and partners to earn Etherty tokens for their contribution in growing the platform.

## Token Distribution

Available for Pre-sale & ICO	120,000,000
Retained for Team & Advisors	30,000,000
Reserved for Future Development	85,000,000
Reserved for Growth Pool	5,000,000



# 5.1 ICO Offering

The Etherty token (ETY) is based on the ERC20 protocol which makes it compatible with all wallets that support the standard. The returns for our initial backers will be as follows:

1.

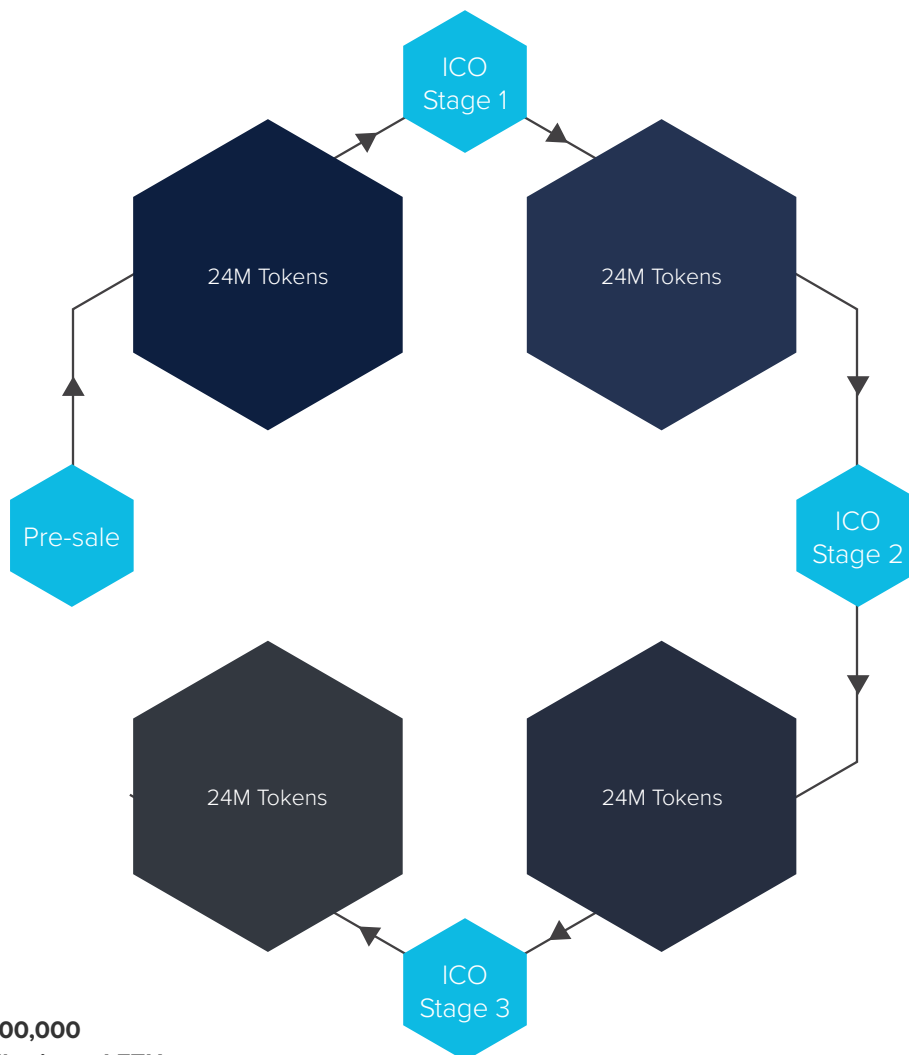
30% of fees generated from trading activity on the ETP

2.

ETY token value appreciation

# 5.2 ICO Sale Structure

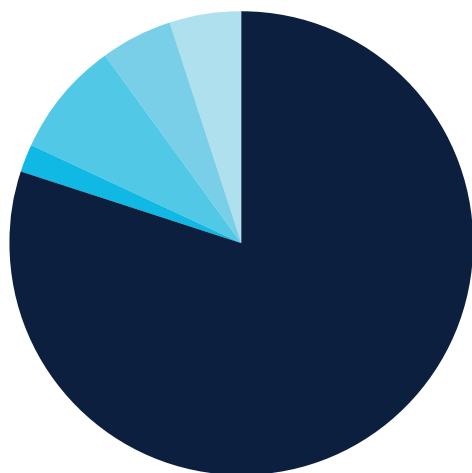
The Etherty ICO will be conducted in 4 stages, as defined below:



**TARGET: \$ 20,000,000**  
**Minimum Contribution = 1 ETH**  
**Maximum Contribution = 5000 ETH**

Due to fluctuation in Ethereum valuation, please refer to the Etherty website at [ico.Etherty.com](http://ico.Etherty.com) to get the latest ETY token price.

## 5.2.1 Funds Allocation



- 40% - Operational Costs
- 37% - Marketing
- 15% - Legal Costs
- 5% - Admin Costs - Country Offices, Expenses
- 3% - Development + Equipment

## 5.2.2 The Growth Pool

Users will also be rewarded with ETY tokens for using the platform and encouraging use by referring to their networks.

1.

Sign Up & List Property for crowd-sale

2.

First successful contribution in a crowd-sale

3.

Buying or trading property tokens via the trading platform

4.

Referral based - Sharing Etherty with friends & family resulting in a sign-up and listing or purchase

5.

Brokers and Property Developers for launching projects on Etherty

6.

Real Estate Funds & Schemes for Tokenisation of portfolios

## 5.2.3 Reserve Pool

Of the total tokens, 85M are reserved for funding future development needs of the platform. These tokens will be made available in a vesting schedule as per follows (if required):

1. **20M unlocked 12 months from the ICO end-date**
2. **20M unlocked 18 months from the ICO end-date**
3. **20M unlocked 24 months from the ICO end-date**
4. **25M unlocked 36 months from the ICO end-date**

## 6.0 Regulatory Terms

All transactions will be performed in our portal in compliance with a solid Know Your Customer (KYC) policy and Anti-Money Laundering (AML) checks. In addition, all regulations of the countries where the property is located are abided by, and smart contracts will adhere to the requirements as necessary, per the local laws. Should pertinent regulations change, Etherty will immediately comply with regulations and will communicate any implications of rule changes to our users and token holders. We intend to continue to work closely with the regulators to ensure the long-term viability of the platform.



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