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SqmBlock

Fractional Sqm Real Estate on the
Blockchain

Table of Contents

01 Introduction

02 Why put Real Estate on Blockchain?

03 Traditional Real Estate Buying vs Blockchain

04 How Do You Buy A NTF on the Blockchain?

05 Benefits of Property on the Blockchain

06 Blockchain Asset DeFi Features

07 How are the Properties Bought and Chosen

08 Tokenomics

09 Additional Features

10 Conclusion

Introduction to DeFi and Security NFT Token Back by Real Estate

Decentralized Finance (DeFi)

Decentralized finance (DeFi) is an emerging financial technology based on secure distributed ledgers similar to those used by cryptocurrencies. The system removes the control banks and institutions have on money, financial products, and financial services. Some of the key attractions of DeFi for many consumers are: It eliminates the fees that banks and other financial companies charge for using their services. You hold your money in a secure digital wallet. Anyone with an internet connection can use it without needing approval. You can transfer Assets in seconds and minutes. Asset tokenization is a concept that enables for the direct exchange of real-world asset on the blockchain, with property market leading the way.

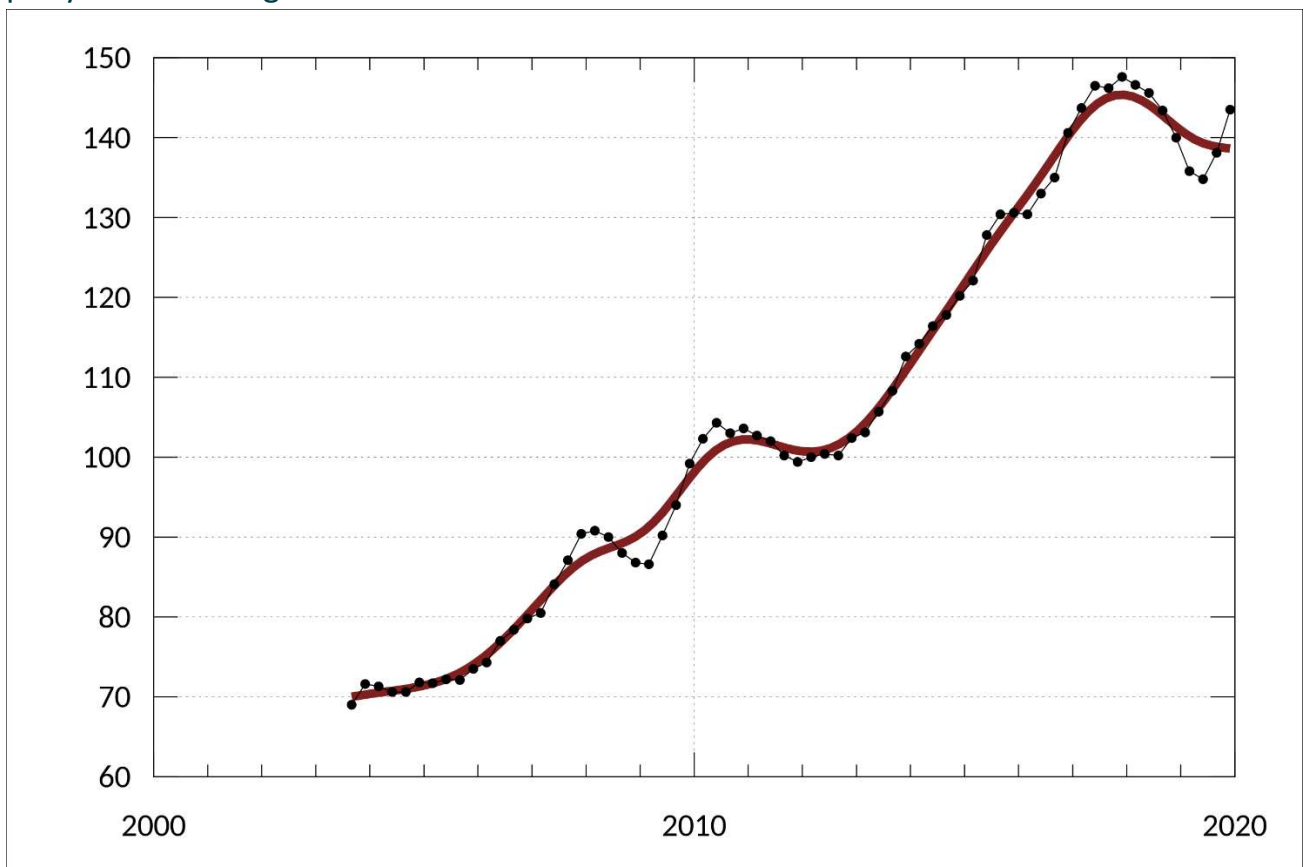
Asset Tokenization

Asset tokenization is the process by which an issuer creates digital tokens on a distributed ledger or blockchain, which represent either digital or physical assets. Blockchain guarantees that once you buy tokens representing an asset, no single authority can erase or change your ownership — your ownership of that asset remains entirely immutable. Each Property on the Blockchain are rented out, resulting in a monthly rental return for each token. This enables a fractional real estate ownership model to be done completely on-chain. Real estate can then be bought and sold using NFT Tokens, making it a completely liquid asset.

Why Put Real Estate on The Blockchain?

Even though real estate increases at a moderate pace like other assets, it has consistently outperformed inflation. Furthermore, real estate provides consistent cash flow through rental income. With SqmBlock you can get into the real estate market for as little as \$150.

Below a Chart of the Real estate Growth in Australia for the past 20 years about 6.8% per year on average:



Traditional Real Estate vs the Blockchain

Traditional Real Estate Investment

Traditional real estate investment involves a significant financial and legal barrier to entry. A prospective investor will have to spend large amount of deposit and time researching going to auctions and need to take out a mortgage in order to purchase a rental property, which will eat into time and the property's profit margin. In addition, investors must deal with issues such as tenant management, property maintenance, tax payments, and legal compliance.

SqmBlock Model

Each NFT coin on the Blockchain is backed by a percentage ownership in Australian Property at market value done by an accredited valuer and for token worth over 2.5% you can apply to have your name registered in the share registry in the Australian Company who own the property. Fractional real estate NFT tokens were developed so Investors can purchase shares in real estate through cryptocurrency that are pegged to the company that own, operate the Property. The lease income that is generated is subsequently distributed to Token Holders and a yearly basis and with the land value yearly increase it increases the floor price value of the coin every year, providing investors with a consistent source of cash flow.

Tokenization is a blockchain-based alternative to traditional real estate that provides a number of benefits, including:

- Lower minimum investment possibility to purchase \$150 at the time
- Voting and governance rights over the property
- Good rental returns and land appreciation
- Less overhead and fewer management fees
- The NFT coin represent investments, which can be bought and sold in a matter of seconds.

How Do You Buy a Real Estate NFT on the Blockchain?

The process of Asset Tokenization on SqmBlock can be broken down into the following steps:

1. We look for undervalued distressed properties (usually by over 40% discount of valuation) with good rental returns potential in Australia.
2. An Australian Company is formed for the buying of each property.
3. SqmBlock will put a deposit on the property and exchange contacts.
4. Sqm block will find a bank and finance the purchase usually at 70%.
5. SqmBlock might offer accredited investor that have completed AML and KYC to come in early and finance the deposit by a coin offering at a discount.
6. The raised deposit amount will be held by a solicitor trust account and returned to investor if settlement don't happen.
7. Once the property is settled the NFT are created to the value of the property.
8. The Australian company that purchased the property will back one for one number of shares and number of tokens.
9. The token will be backed and pegged to the same percentage of share of the company who owns the property
10. Australian Investors who own over 2.5% of a property can apply to have their name on the company share registry that own the property.
11. Investors complete KYC and AML checks, confirm agreement to the terms, and purchase the NFT tokens.
12. SqmBlock manages the property of behalf of investors.
13. Cash flows from the property are sent to token holders in the form of BUSD tokens and investors also benefit from the appreciation of the property.
14. Investors can sell their shares to other users, or back to the SqmBlock,

Benefits of Property on the Blockchain

Real estate accounts for a sizable share of global asset and transaction activity. Today's real estate market, on the other hand, is made up of numerous siloed and autonomous networks with transactional friction and opacity. The blockchain offers a viable alternative for achieving the following industry advantages:

- Real estate assets are being tokenized.
- For core industry activities, process efficiency is important.
- Process automation results in lower costs.
- Due to ownership fractionalization, access to a larger pool of investors is available.
- Access to opportunities on the secondary market Increase openness and inform smarter investment decisions and portfolio management by making data more accessible.

One of the most exciting ways The Blockchain benefits the industry is through the digital securitization of real estate properties, also known as tokenization. Digital assets can represent real-world assets such as real estate, real estate funds, revenue streams, governance rights, and more. Once these assets are tokenized, they can be divided into more granular pieces, made accessible to a wider pool of investors, and leveraged to raise capital. Once tokenized, the programmable blockchain enables the secure and compliant digitization of the transactions and processes around these assets, including issuance, trading, and lifecycle management.

In the real estate market, the advice, knowledge, and know-how of real estate professionals will remain crucial to investors. However, the processing of securities, liability management, document processing, and accounting will inevitably change.

Blockchain Asset DeFi Features

Decentralized finance (DeFi) is an emerging financial technology based on secure distributed ledgers similar to those used by cryptocurrencies. The system removes the control banks and institutions have on money, financial products, and financial services. Some of the key attractions of DeFi for many consumers are:

- It eliminates the fees that banks and other financial companies charge for using their services.
- You hold your money in a secure digital wallet instead of keeping it in a bank.
- Anyone with an internet connection can use it without needing approval.
- You can transfer funds in seconds and minutes

Decentralized finance, or DeFi, uses emerging technology to remove third parties in financial transactions. The components of DeFi are stablecoins, software, and hardware that enables the development of applications. The infrastructure for DeFi and its regulation are still under development and debate.

How are the Properties Bought and Chosen

Our property team experts hand-pick properties based on their 25 years of experience and access to liquidators with undervalued assets and high rental yields. In growth areas making low offers until the right property at the right price is approved.

Eventually SqmBlock will be looking at listing third party real estate deals.

Tokenomics

The token will be created on the Blockchain each property will have a separate NFT Tokens with the amount of token created is the exact amount of percentage of the property. SqmBlock will always hold At least 25% of the property.

The token itself does not represent ownership of the property its pegged by the value and redeemable at the value of a share of the company that own the property a bit like USDT tether coin is pegged to the US dollar but Investors who own over 2.5% of property can apply to have their name on the company share registry that own the property.

Cash flows from the property are sent to token holders in the form of BUSD tokens every year for now and eventually every month Investors also benefit from the appreciation of the property.

Additional Platform Features

The Governance Protocol of SqmBlock allows token holders to vote on choices governing the platform's overall operations.

Each Asset Token is a representation of the asset's governance. Token holders can vote on issues such as whether the asset should be sold or renovated.

SqmBlock NFT Tokens are used to cast votes on the platform's governance. Token holders can make proposals for marketing events, feature requests, grants, fee mechanics, and more, which will be voted on by the community.

Conclusion

Real Estate NFT Tokens on the Blockchain

Real estate investing will remain a core asset class for its strong returns and durability, regardless of what new prospects technology provides. SqmBlock aims to provide a real estate solution for the DeFi ecosystem, using blockchain technology and DeFi Limiting the downside to open the door to a new class of intelligent, motivated global investors.

SqmBlock's objective is to create a full-fledged DeFi ecosystem that allows investors to use tokenized real estate shares as financial instruments in innovative protocols, rather than just providing real estate investing on the blockchain. This provides more flexibility to investors while maintaining the security of a real estate investment limiting the risks. The blockchain is the future of fractional real estate, and we're very excited to be a part of it.