

TripsTrade

The Permissionless, Non-Fungible, Real Estate Market

TripsTrade TLDR:

- TripsTrade is a decentralized booking engine for property rentals (similar to Airbnb or VRBO) where each booking is represented as an NFT owned by the person who bought it. These NFTs can be permissionlessly traded or gifted between their owners on the TripsTrade marketplace, or other NFT marketplaces.
- This creates a new market for real estate that will be accessible to millions of people who were otherwise priced out of traditional real estate markets (because said markets have a high minimum entry cost and a de facto requirement of access to credit, and TripsTrade does not).
- It also solves several persistent problems in the short term property rental marketplace. Renters no longer have to worry about losing the money they spent on a trip because of a last minute cancellation. Property owners no longer have to worry about scrambling to fill inventory due to a last minute cancellation.

Terminology:

- BNFT (Booking NFT): An NFT representing a stay at a property, as tradeable on TripsTrade. For example: September 1st to September 8th at a cottage in VT.
- Property Owner: A person who owns a property and is renting it out through TripsTrade.
- Renter: A person who is using a BNFT from TripsTrade in order to stay at a property.

- **BNFT Buyer:** A person who is buying a BNFT through TripsTrade. Note that the renter is not always the same as the first person who buys a BNFT of a given property, as that person may sell it to someone else before the start date of the booking.
- **Booking:** A specified date at a property (for example, September 1st through September 7th at Marley Beach in Bermuda) which is listed as available through TripsTrade. This includes details about the property such as amenities, location, check-in policy.
- **Property:** A property which may or may not have one or more BNFTs available through TripsTrade.
- **Dispute:** A claim made by a renter against a property owner, alleging they have failed to deliver on their booking as it was listed in the BNFT.

TripsTrade:

What is TripsTrade?: TripsTrade is an Opensea or Rarible style platform for minting and selling BNFTs.

Property owners can make their properties available for rent via TripsTrade, allowing BNFT Buyers or Renters to mint BNFTs that entitle them to stays at their property corresponding to a specific date range. TripsTrade also provides an easy to use, point-and-click marketplace for selling or reselling these BNFTs.

What are the benefits of TripsTrade over traditional systems?: TripsTrade has two primary user benefits over traditional booking engines for property rentals.

First, by enabling Renters to sell what they rent, it endows them with ‘true ownership’ of the leases/rentals they purchase.

This transforms the cost of shelter and renting an apartment or house from a pure liability into a liquid asset, and enables everyone to truly own what they have paid for (in the sense that they can now profit from it instead of merely using it).

Second, it solves the ‘Last Minute Cancellation Problem’ for both Renters and Property Owners. The Last Minute Cancellation Problem is an issue in the short term property rental market which stems from the use of outdated technology, and is detailed later in this paper.

Creating a New Real Estate Market:

One way that TripsTrade benefits society at large is by creating an easily accessible way for people who might usually not be able to speculate on real estate to do so. Typically, real estate is a high cost market, in which even the smallest investments require either large amounts of capital or access to lines of credit. The “minimum buy in” for real estate is large enough that, for most people, it requires a loan. Even for smaller properties, this leaves traditional real estate speculation beyond the capabilities of most of the world’s poor (and increasingly, beyond the capabilities of much of the world’s middle class).

In traditional markets if you are poor or middle class, even if you have some sort of information advantage about your local real estate market, you have no way to profit off of that because the minimum buy-in is simply out of your reach without access to credit. With TripsTrade, that is no longer the case. TripsTrade enables people to leverage their “alpha” in real estate markets worldwide, by eliminating the cost based barriers to entry that have long kept traditional real estate markets as a tool solely for the rich or credit-enabled. For an example of this in action, please see Scenario 2 in the “Examples” section or the article we wrote “Leveraging Localized Alpha”.

The “Last Minute Cancellation” Problem:

What is the Last Minute Cancellation Problem?: One problem in the short term property rental market which negatively affects both property owners and customers is the “Last Minute Cancellation” problem.

In the short term rental business, it is a necessity to have a fair and flexible cancellation policy. While no two policies are alike, typically they allow for customers to claim some money back if their booking is cancelled outside of a 30-60 day period, and have some flexibility in terms of credit or refunds if a customer is unable to make the trip due to reasons outside of their control.

These policies are designed to provide customers with some reassurance that if they have to cancel, their purchase is not ‘lost money’, while also making

sure that if a vacation is refunded the property owner will have enough time to have a good shot at filling their inventory.

Unfortunately due to limitations on the technologies used for short term property rentals, these policies still leave the customer at risk that if they have a last minute cancellation the money they spent on their vacation will be lost. They also leave property owners scrambling to fill last minute vacancies that fall just outside of the cancellation period.

How does TripsTrade solve the Last Minute Cancellation Problem?: TripsTrade is a simple point and click system that allows for short term rental property owners to mint a booking (a predetermined period of time for example “March 5th to March 9th at this beach cottage”) as a Non-Fungible Token or “[NFT](#)”. For ease of reference, we will refer to booking NFTs as BNFTs moving forward in this paper. BNFTs are transferable, allowing for bookings which previously could only be cancelled to instead be gifted or even bought and sold between any two parties. Property owners can also set a “royalty” on each property, which entitles them to a portion of all revenues made on further OTC sales of each BNFT made from that property, similar to what Rarible does with artists.¹

TripsTrade pairs this ability to mint BNFTs with a simple to use, geographically searchable marketplace that lets interested travellers view, buy, and sell BNFTs.

This transforms a booking from what was an illiquid and non-transferable asset into a liquid and easy to transfer asset, and eliminates the Last Minute Cancellation Problem in its entirety.

Examples: Let’s examine some hypothetical scenarios that demonstrate how this system can benefit both renters and property owners.

Scenario 1: Charles the customer just got a Christmas bonus and wants to book a vacation for next June. He finds a lovely beach resort, owned by a man named Paul the Property Owner. Charles takes his bonus, and books a week at the resort. Paul’s resort uses Airbnb’s [Strict 30 Day](#) cancellation policy, but Charles isn’t worried as he has every intention of taking this vacation. Unfortunately for

¹ For example a BNFT minter could set a royalty of 5% on all future transfers. If someone then sold the BNFT for \$100, the minter would receive \$5 in royalties.

Charles, he comes down with a bad case of the flu one week before his trip, and is unable to make it.

- *Without TripsTrade*: Charles is not entitled to a single dollar of refund and loses all of his money. Paul isn't too mad about this as he didn't actively lose any money, but he would rather have had a paying customer staying at his resort and spending money at the bars and restaurants.
- *With TripsTrade*: Charles places the BNFT representing his week long trip at Paul's resort on the TripsTrade marketplace at a 25% discount from what he bought it for. Elsewhere, Terry the Traveller is browsing the marketplace and sees Paul's BNFT. After checking it out, he thinks it's a great deal and buys it. Now Charles has recouped three quarters of his money, Terry is excited for a beach vacation that would have normally been outside of his budget, and Paul will have a paying customer who will eat in his restaurants and drink at his bars. Everyone wins.

Scenario 2: Charles the Customer books the same stay at Paul's resort as he did in the last scenario. Shortly after, it is announced that "Big Superhero Movie II: Infinity Reckoning" will be filming a scene at a beach near Paul's resort during the time of Charles's booking. Charles notices that ever since the announcement, the price of rentals in Paul's area has been going up as fans flock to the beach town in hopes to catch a glimpse of their favorite celebrity.

- *Without TripsTrade*: There is nothing that Charles can really do with this information. The booking is in his name so it's not like he can transfer it to anyone else. Even if Paul's resort and Airbnb were to allow that, there is no marketplace where Charles can list his booking in order to claim the profit he knows reselling his vacation would make him. Even though he is supposedly the owner of his vacation, he has no way to leverage that ownership into profit.
- *With TripsTrade*: Charles lists his BNFT on the TripsTrade marketplace at a 20% surplus to what he booked it for, and sells his vacation at a profit to Steve the Superfan. Steve gets to go see his favorite movie series being filmed live in action, Charles has the money he spent and then some, and Paul has a paying customer who will patronize his bars and restaurants. Everybody wins.

Decentralization:

It is the goal of the TripsTrade team to hand over complete control of TripsTrade to on-chain DAO governance as soon as possible. This will be done through the issuance of \$TRIPS.

\$TRIPS:

Summary: While centralized control of the TripsTrade platform is necessary during TripsTrade's early days, the goal is that one day TripsTrade will be handed over to the community to govern through snapshot votes. \$TRIPS is the token through which the DAO will propose, vote on, and enact changes.

Tokenomics: \$TRIPS is a non-fixed supply Polygon token with an initial supply of 1,000,000. Once 51% of \$TRIPS initial supply tokens have been distributed, \$TRIPS holders may organize snapshot votes around proposals, including but not limited to proposals concerning the following;

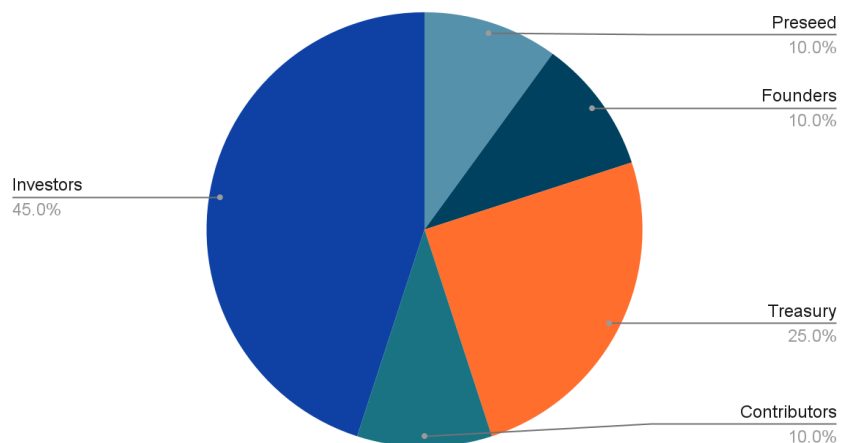
- Amount (percentage points) of sales fees.
- Distribution of accrued fees.
- Use of treasury funds.
- Additions to/removals of items from the TripsTrade roadmap.
- Prioritization of integrations.

Initial Supply Distribution Plan:

The initial supply tokens of \$TRIPS will be distributed as follows;

- 100,000 \$TRIPS will be sold in presale OTC.
[COMPLETE]

Token Distribution



- 100,000 \$TRIPS will be distributed among TripsTrade founders².
- 150,000 \$TRIPS will be allocated for a Seed Round fundraise. [ONGOING]
- 150,000 \$TRIPS will be allocated for a Series A Fundraise.
- 150,000 \$TRIPS will be allocated for a Series B Fundraise.
- 140,000 \$TRIPS will be held in Treasury for use on an as needed basis.
- 90,000 \$TRIPS will be used for liquidity incentives.
- 60,000 \$TRIPS will be used for the Employee vesting pool.³
- 60,000 \$TRIPS will be used for the Advisor vesting pool.⁴

Escrow and Disputes:

When a BNFT is purchased or royalties are paid to the entity who minted a BNFT, that money will stay in escrow until 24h after check in. During this time, if the owner of the BNFT has an issue, they may dispute the BNFT with TripsTrade in order to have the funds frozen. Disputes will then be handled by the TripsTrade team as per our user agreement and terms of service. Decisions of the TripsTrade team are final.

Property Verification/Anti-Fraud Verification Structure:

One of the challenges of a decentralized rental system is user/property verification. Airbnb and VRBO have verification systems which focus around moderate KYC behind their users, getting credit card numbers or bank accounts for each user, but they never actually verify that a user owns the property they say they do. This is because this is both impossible to do in a scalable fashion, and because if a person were to falsely represent owning a property, Airbnb/VRBO have enough information about the user through their KYC to charge back their credit card/bank account or pursue legal action. Given that Trips is trying to build a “bankless” system, no such recourse will exist for TripsTrade.

² Vesting bi-monthly in 25% chunks.

³ Qualifying employees vest into locked tokens, which are each locked for a year, earned at the end of each financial quarter. This pool is for employees who have worked for TripsTrade for multiple financial quarters and demonstrated exemplary performance in their role.

⁴ Same vesting/locking schedule as employees.

Accordingly, instead of verifying users, TripsTrade must structure its platform to disincentivize fraudulent listings by making them costly to the fraudster, while placing little to no burden or risk to the average user.

In order to achieve this, Trips will have users place a “property verification” deposit. When a property owner first lists a property on TripsTrade, they will be required to provide a \$USDC deposit associated with that property. This deposit is fully refundable on either:

- The property being removed from listing
or
- Upon a BNFT of that property being successfully used without dispute from the renter.⁵

Given that a property owner does not receive any funds from successfully selling a BNFT (or the royalties from that BNFT then being transferred from one party to another) until 24h after check-in with no dispute⁶, there exists no financial incentive for a person to use TripsTrade to create a “false listing” as they would inevitably find the BNFT being disputed, lose the dispute, and not only receive no money from the BNFT sale/royalties, but they would also lose the deposit on that property listing.

Monetization:

Fees: TripsTrade charges a flat 1% fee on any transaction through its marketplace or between users. However, this percentage may be changed at a later date through a \$TRIPS snapshot vote, or new fees may be added. TripsTrade also charges \$10 per month per property for [actively managed accounts](#), deducted from sales (no up front payment required, if a property doesn’t make sales no fees are required).

⁵ In the event a property is listed, and there is a dispute around its first rental, but that dispute is decided in favor of the property owner, the deposit will also be refunded to the property owner.

⁶ Or that dispute being settled in their favor.

Distribution of Fees: Until such time as 51% of \$TRIPS initial supply tokens have been distributed, accrued fees will be distributed as follows;

- 33% of fees are used to purchase \$TRIPS off market.
- 33% of fees are used to fund the TripsTrade treasury.
- 34% of fees are used to match the \$TRIPS purchased off market to provide liquidity (protocol owned liquidity).

After 51% of \$TRIPS initial supply tokens have been distributed, accrued fee distributions can be changed through snapshot vote.