

Blue Terra Whitepaper

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Abstract

This whitepaper proposes a new model for land ownership and sale through the use of *non-fungible tokens* (NFTs) as digital assets tethered bijectively to a set of perpetual leases. These perpetual leases are initially owned and distributed through a freehold lease possessed by a holding company, with freehold ownership being transferred to the NFT collection's homeowner's association and *decentralized autonomous organization* (DAO). This model avoids several of the logistical problems involved in a traditional deed structure, and facilitates trading and the *know-your-customer* (KYC) regulations that are required within typical real estate markets. Although we are excited about this model's applications elsewhere in the world, this paper will primarily focus on the Caribbean Islands and, in particular, The Commonwealth of The Bahamas, as an example of where this model, in tandem with the unique advantages of NFTs, works exceptionally well within pre-existing property law.

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1 Introduction

Real estate cannot be lost or stolen, nor can it be carried away. Purchased with common sense, paid for in full, and managed with reasonable care, it is about the safest investment in the world.

Franklin D. Roosevelt

The potential of decentralized real estate has quietly been in the crypto *zeitgeist* for some time now. In developed countries, the possibility of avoiding the traditional paperwork and middlemen involved in the real estate market is attractive to almost all. On the other hand, for the developing world and the 2.5 billion people that remains unbanked, “secure property rights, including land tenure, are a rarely accessible luxury.”¹ This lack of access is typically a result of unstable sociopolitical and financial infrastructure, which is a problem area where trustless and censorship resistant transactions on a distributed public ledger seem particularly promising. The topic of land ownership is hence a crucial one in decentralized finance as well as in general human prosperity. Estimates place the global commercial real estate market at about \$32.6 trillion², and Article 17 of the 1948 Universal Declaration of Human Rights establishes the fundamental human right to own property without arbitrary deprivation³. Without meaningful access to secure property rights, this basic human right to self-autonomy through ownership is not being fulfilled in the status quo for billions of people around the world. Andrew Carnegie wrote over a century ago that “Ninety percent of all millionaires become so through owning real estate”⁴. Although Carnegie’s diction may have been blunt, the underlying sentiment: that real property ownership is crucial for financial independence remains ever true, and is currently unavailable to billions of people around the world who need it most. This paper offers a possible solution, fine-tuned to our homeland of The Bahamas, for decentralized land ownership and sale.

Blue Terra is one of the first Land-as-NFT (LaN) projects on blockchain. Built on Solana, Blue Terra is an NFT project where 5,000 plots of land (each ranging from 1500-2000 sq. feet) in The Bahamas have been tethered to 5,000 NFTs featuring art by our award-winning team of Bahamian artists. The crucial innovation of Blue Terra is our model of *perpetual leases* distributed through a freehold lease that is initially held by a holding company and transferred to the residents’ homeowner’s association and DAO thereafter. This novel model facilitates property transfer, taxation, and KYC while functioning in pre-existing Bahamian property law and avoiding the high overhead of a traditional deed or LLC model. Circumventing the normally cumbersome and costly process of sourcing land, finding a real estate agent, and hiring a lawyer, we are excited to present the Blue Terra model of land ownership to the general public to contribute to the revolution occurring in real estate on Web3.

2 Outline

This paper is organized as follows. Overall system design and a high-level description of how our model works is detailed in [Section 3: Land-as-NFT](#). In-depth description of the Blue Terra project, including our implementation of the model, art and land selection, taxation, and development are all provided in [Section 4: Blue Terra](#). An explanation of the eventual Homeowner’s Association and DAO, including comments on their necessity, advantages, and proposals for initial structure will be covered in [Section 5: HOA and DAO](#). Our commitment to various grant programs to facilitate long-term ownership and land value appreciation are described in [Section 6: Foundation Grant Programs](#). In the months we’ve spent preparing the legal and operational framework for this project, we’ve come across a strong need for a real estate specific NFT marketplace to provide for various tax and maintenance concerns, which we explore in [Section 7: Land-as-NFT Marketplace](#). Last, we provide some international and domestic case studies from Singapore and The Bahamas to provide legal context for our model in [Section 8: Case Studies](#).

3 Land-as-NFT

Although the possibilities of crypto and, recently, NFTs in the real estate market have been in the public space⁵ for some time now, the nascence of the industry has resulted in a relatively limited history. There have been a few examples of real commodities, such as Tungsten Cubes⁶, and real property being sold on OpenSea⁷. However, these transactions are often smaller, individual transfers and not at scale. To our knowledge, we are one of the first projects on blockchain to attempt to sell a large (100+ acres) amount of land through NFT tethered ownership. This is uniquely possible through our model of using a freehold lease to distribute perpetual leases to all of our holders.

The model we employ is actually fairly simple and therefore we hope is applicable to many areas of the world, not just in The Bahamas. The way that land ownership and sale is traditionally structured in many countries is through a deed. In particular, a deed of conveyance. A deed is defined by Cornell Law as “a legal document that grants its holder ownership of a piece of real estate or other assets”.⁸ A lease, on the other hand, is defined as “A contract between two people where one person with property (the lessor) allows the other (the lessee) to have use of that property for a limited period of time, in exchange for a payment”.⁹ Last, a perpetual lease is simply a lease where the right to renew lies with the lessee, rather than the lessor as in a traditional lease.¹⁰ In The Bahamas, a lease is sometimes referred to as a deed of lease. We will henceforth refer to a deed of conveyance as a deed, and a deed of lease as a lease.

We originally wanted to use a deed, and deed transfers are how many of the previous real estate transactions on OpenSea have operated through.¹¹ However, there are a few major problems with deeds for a general framework of land ownership. First, deeds are expensive and subject to heavy taxation. Since deeds

are the normal legal instrument through which asset transfer occurs, most centralized governments tax their transfer: typically through a realty transfer fee, as well as any consumption taxes that exist in the land's legal jurisdiction. In The Bahamas, for example, there is a *value-added tax* (VAT) of 10%¹². This means that any time an NFT backed by a Bahamian deed is traded on a secondary market, the transaction is subject to a 10% tax. Similarly, the European Union has a standard VAT of at least 15%¹³ and Australia at 10%¹⁴. On top of the transaction fees that usually go toward the creator (5%) and secondary market (2.5%) at the time of writing, these cumulative fees are prohibitively expensive for deeds to function as a seamless global solution to decentralized land transfer.

In addition to the taxation problem, deeds also tend to be beleaguered by various other regulations. For example, most land needs to be resurveyed before sale.¹⁵ The Bahamas is no exception, and re-surveyal is actually required by law¹⁶. This presents the additional challenge of an NFT seller having to resurvey their land, which can take up to several weeks¹⁷ and thousands of dollars, every time they wish to trade. As frustrating as this congestion might be for an individual owner, we posit that these sort of constraints prevent the deed model for working at scale. Although individual transfers-of-ownership may be possible, even these transactions will likely take a long time, be expensive, and be subject to future regulation. We knew we needed a better solution.

Another interesting model that has been tried is the use of foreign holding companies, such as US LLCs as intermediaries for ownership. Some companies have adopted this model to facilitate individual transactions on houses, for example, because the structure is very straightforward: a US LLC purchases a foreign real estate asset, and then there is a transfer-of-ownership of shares of that LLC to the intended buyer¹⁸. While this model works for those individual transactions, we found problems when attempting to translate this solution at scale. For one, this model is also very expensive. Setting up a holding company requires several hundred to thousand dollars, and these companies must be renewed every year. While this might work for a single transaction, this does not work at scale if real estate assets are being traded frequently. This is because each transaction will require the creation of a holding company and its shares transferred to the buyer. The time that it takes to process these legal requirements, days and weeks as opposed to milliseconds, also poses a high opportunity cost. Last, the creation of many holding companies is liable to the same arbitrary legal jurisprudence of whichever country is being used to host these companies as with deeds. It is difficult to argue that the intended usage for LLCs was to act as the intermediary layer in the transfer of real assets on blockchain, and we are cautious of depending on a strategy which may be particularly liable to new regulation.

Given these concerns, we decided, instead, to employ a freehold lease structure, initially held by a single holding company, governing 5,000 perpetual leases. A freehold is simply an ownership of an estate in land, rather than the land itself¹⁹. As a result, this freehold is a convenient legal vehicle through which we can construct 5,000 perpetual leases that correspond to 5,000 plots of land. This

way, our freehold is held by a Bahamian company that acts as the central hub for these leases: leading to numerous key advantages. We will explore some of these advantages in more detail in [Section 4: Blue Terra](#), but will lay out a brief overview. For one, since our freehold is initialized by a Bahamian company, our NFTs correspond to native property: the restrictions that are normally present for non-residents, including key tax policy differences, are no longer applicable for Blue Terrans. As a result, our NFT holders do not have to pay taxes if they do not develop on their land, and the tax liability for the whole property is beset on the holding company. Another key advantage lies in tradability. A perpetual lease is simply a lease that is held in perpetuity, often inscribed in an auto-renewal scheme. Since our holders will be trading NFTs which entitle holders to activate these perpetual leases through KYC, they will not be subject to the long waiting times and high constraints (e.g., VAT, re-surveyal, etc.) that may be present in other models. Trading on a secondary marketplace does not represent an involved transfer-of-ownership process, and can be done seamlessly as with any other NFT. We will be creating a Homeowner's Portal and will be partnering with a reputable KYC firm to provide cheap and convenient KYC for our holders. Going through this KYC will legally validate your lease, and since these leases are not activated *a priori* they will not trigger the normal logistic overhead present in traditional models.

4 Blue Terra

Blue Terra began as a dream not only to decentralize land sale and ownership, but also to open the doors to our homeland: The Bahamas, in its full natural, cultural, and historical magnificence. As Bahamians, we are extremely proud of our country and its heritage. The Bahamas is a welcoming country with beautiful natural landscapes and a passionate people that love good discussion and to be merry. We want our holders to experience the feeling of a sunrise on the beach, the cohesion of instruments, dancing, and art during the Junkanoo festival on Parliament Street, and a bowl of conch salad after a long day.

4.1 Art

We worked hard to ensure that the art displayed in this collection was created by Bahamians for The Bahamas to stay true to our roots. Each piece of the collection pays homage to the culture and history of The Bahamas. For example, the flamingo is the national bird of The Bahamas, and the blue marlin is the national fish, with both being on the Bahamian coat of arms. Our lead 3D artist, Matthieu, is Bahamian born and raised prop and environmental artist that studied at L'Institut Supérieur des Arts Appliqués in Paris. He designed our iconic conch shell, which is the national symbol of The Bahamas, as well as most of the assets in our collection. Another extremely talented artist that we have on the team is Jonah Waterous. Jonah is the son of the internationally acclaimed Jane Waterous, a resident artist for the Four Seasons, and he has

worked on some of the rarest pieces in our collection, which will be guaranteed beachfront property. Jonah is a prodigy in his own right having done exclusive works for: Ocean Club Resort, The Cove at Atlantis, and The Four Seasons, and selling to a clients such as Fat Joe and a number of other celebrities.

4.2 Land

We are currently looking at several properties, and are in the process of surveyal. Our final choice will depend on a number of factors: square acreage, percentage beachfront, proximity to the main islands, current population, preferences of the DAO, and the percent of supply that is sold. If at least 10% of the total supply is sold out, we will be able to purchase land that has an estimated size of 1500 to 2000 square feet per NFT. With more supply sold, we will be able to afford more square feet per plot and higher likelihood of beach exposure. If less than 10% of mint is sold, then we will refund our minters.

4.3 Development

Although we will clear the land, the land is not developed on and owners are free to build on top of their land. Any development is subject to the ordinary regulations that Bahamians have to abide by as detailed in The Bahamas Building Code²⁰. We encourage our holders to build anything they wish, although construction charges are subject to a 10% VAT. There is an electricity grid and running power lines on all the properties that we are considering, as well as a plethora of well sites, options for septic tanks, and WiFi. Common practice in The Bahamas is to dig your own well and install your own septic tank, and we will be partnering with local companies to provide these services at a discount for our holders. We estimate that the total cost of utility installation would be between \$3,000-7,000 with small monthly fees thereafter. A contracted cottage or hut would cost around \$15,000-20,000 to construct, although sans raw material costs, these could be built for free. We envision many of our holders will use their property as a camp site or special place to relax, in which case a tent, hammock, or even basic campground would be fairly inexpensive or free.

4.4 Taxation

Upon transfer or sale of land, one almost always needs to pay some form of initial transfer tax, for example through a stamp duty or VAT, as well as an annual property tax.²¹²² Although these ranges vary, typically cumulative costs amount to 5-10%. In China, for example, there is a 3-5% deed tax, as well as a 0.05% stamp duty²³, whereas in Germany there is a 3.5-6.5% real estate transfer tax with a potential VAT of 19%.²⁴ These taxes typically apply to corporations too, so using a limited liability company will not help. Given a normal creator's fee of 5% and an exchange's fee of 2.5%, these taxes make trading of NFTs backed by deeds unfeasible at scale. Fortunately, our solution of a freehold lease distributing perpetual leases avoids these costs.

Since the land is anchored to the freehold lease, which is created and initially held by a Bahamian company, taxation liability falls on the holder of the lease. Because our model uses perpetual leases as our distribution scheme, the trading of these leases do not trigger the typical transfer-of-ownership costs of a deed because the freehold which holds these leases is not changing ownership. As a result, Blue Terra NFT holders are not liable for any taxation for their land *unless* they choose to build on top of it. In that case, they would be subject to the same construction code and 10% VAT that normal Bahamians face²⁵.

4.5 Travel

To travel to any of the island properties that we are examining, the two most popular options are flight and ferry. We have partnered with Pineapple Air to provide exclusive round-trip air travel to all of the island property that we are currently viewing. Blue Terra owners will be able to travel at a 10% discount through a special referral code. There are several popular ferry options that we will make available to our holders, but we generally recommend air travel.

4.6 Conscious Capitalism

Capitalism has been an integral part of infrastructural development for hundreds of years. During this time, we have witnessed global advancements that revolutionized international economies. However, despite the benefits of global capitalism, there have been many teachable moments in how we can improve in the future.

As we embark on a new frontier of digital capitalism, it is important to take note of what we have learned and what we can improve upon from our physical world capitalist predecessors. Taking a socially conscious step forward into the digital space, we will be giving back to the Bahamian community and collaborating with diverse young minds in how they imagine their future to look.

We have created the “The Blue Terra Innovative Minds Project” in partnership with a local school in The Bahamas.

A group of high school students will create the blueprint of what they imagine their future to look like. The project will be based off of the land that is being purchased by Blue Terra and the students will have an opportunity to explore the land. After their excursion of the land, The students will begin to write their Blue Terra Innovative Minds Blueprint. This blueprint will include an environmentally sustainable, bio-diverse, socially conscious and urban developed community within the parameters of Blue Terra’s land (approx. 200 acres). The students will integrate existing technology (ie. solar panels) and new creative inventions they would like to include in the island blueprint. The final Blue Terra Innovative Minds blueprint will be displayed on the Blue Terra website. The NFT owners will be able to use this blueprint or refer to it when choosing to build or develop on their land.

The digital verse has allowed creative thinking to take on a new league of reach. Blue Terra exhibits the ability to apply innovative thinking and have it

materialize into the real world to affect positive change in existing industries. We believe in fostering creative young minds and the importance of collaborating with the youth in pioneering the future of the digital economy. Together, we have a plethora of knowledge that is derived from many different walks of life. The youthful creativity built into this blueprint will deeply reflect the world the young generation wants to live, work, develop and socially grow in.

5 Homeowner's Association and DAO

5.1 Homeowner's Association

The Blue Terra Homeowners' Association (HOA) will be the group of holders that will be responsible for the maintenance, fees, and other responsibilities of the property. To be a member of the HOA, holders would need to:

- * Be a holder of a Blue Terra NFT (could not trade this NFT while a part of the organisation)
- * Fill out KYC verification
- * Be elected into the position by either one of the founders or the DAO
- * Be a committed community member
- * Have experience in community management or relevant fields

The HOA structure would be similar to those found in standard community organizations. There would be a board of ten directors that would be responsible for overseeing and enforcing the rules and regulations of the DAO. At least one member of the board must be a Bahamian. The HOA members would be a part of an incorporated company under Blue Terra. The Board of Directors would first be responsible for looking at general maintenance requirements for the entire community (e.g landscaping) and setting up a system to address these needs. Second, the Directors would be responsible for reporting any complaints or legal issues to the relevant authorities. Third, the Directors would also oversee the way in which community finances are handled. There will be an expense sheet, publicly available to the DAO, in which the Directors would be responsible for making these payments. The Directors will be the only community members that are given access to KYC information, as they will be responsible for disputes amongst community members and also taxes.

Property taxes would be one of the most important jobs of the HOA. The Directors would be responsible for keeping a list of the holders developing properties versus those on undeveloped land. The Directors would annually be responsible for collecting the appropriate amount of property taxes from those developing on their plots. The Directors would also be responsible for paying those taxes to the Government of The Bahamas. The HOA would also be responsible for creating monthly community updates for holders with information on the property, updates on anything revolving around the DAO, and resources that can help community members.

The election process for our HOA will again, be standard. There will be a community vote for the 10 Board of Directors. The positions are one President, one Vice-President, two Secretaries, three Treasurers, and three Community Leaders. All of these positions are equal in terms of rank and position on the Board of Directors and are better used to focus on responsibilities and primary area of concern. The President and Vice-President will be responsible for communicating serious inquiries with the Founders and providing updates. They will also be responsible for setting up Board of Director meetings. Secretaries will be responsible for filing all paperwork such as taxes and keeping track of the KYC database, as well as sharing that information with relevant authorities if needed. The Treasurers will be responsible for creating expense reports, managing the community wallet, and sharing financial information with the Founders and the holders. The Community Leaders will be responsible for managing the DAO and relaying information from community members to other Directors and the holders. It is our hope with establishing this HOA, that we can have a smaller-scale self-governing system in place for holders.

We envision the pay structure of the HOA to be fairly simple. Each Director will be paid equally from the publicly available Community wallet. Each Director will be paid 1 SOL weekly, paid bi-weekly for completion of tasks. This payment is subject to increase depending on market flow, community discussion, or a formal request by the Directors. The treasurers will be responsible for paying all Directors to their personal wallets, including themselves.

5.2 DAO

After our mint, we will form a decentralized autonomous organization, or DAO, to serve as the governing body for our NFT holders and to select the initial officers of our Homeowner's Association. To qualify, one will simply need to hold a Blue Terra NFT in their Solana wallet. Exclusive Discord channels will be available through Grape Protocol. The inaugural DAO post mint will be responsible for the initialization of the homeowner's association: including the election of an Interim President and Vice President, as well a temporary Board of Directors. The DAO will have regular opportunities for members to submit and vote on proposals for the future of the Blue Terra project. We will also be dedicating a significant percentage of exchange fees from our upcoming secondary market back to the DAO, to give back to our community members and enable the Blue Terran DAO to create new value for our holders: be it through more communal land development, a validator node to stake to, marketing partnerships etc.

6 Blue Terra Foundation Grant Program

Upon successful mint, we will be dedicating up to \$500,000 in business development grants for our holders to build on top of Blue Terra. We will be distributing a portion of these grants every fiscal quarter for at least the next two years, and grant decisions are subject to a formal application and DAO

review. Some projects we imagine funding are a community well center, solar panels, cottages, bars, restaurants, gazebos, music festivals, conferences, and conventions. Any DAO and HOA member will be able to submit proposals for spending, and we will have an ongoing application process in channels such as Discord. The goal of the Business Development Grant program is to promote economic activity on Blue Terra and further develop the land. A percentage of royalties from our upcoming marketplace will also be dedicated towards this purpose. We want Blue Terra to simultaneously be an untouched paradise and a developed settlement in areas where it makes sense. By spurring economic activity, we hope to create self-sustainable forms of value for our holders.

7 Land-as-NFT Marketplace

“The Terra Bazaar” will be the first land trading NFT marketplace in existence. Our belief is that creating a liquid marketplace for decentralized land sale is a crucial component of DeFi in order to give people the freedom to access all asset classes. Land is an important real asset and hedge against inflation. Its potential both as a source of passive income and as foundation to build on lend to its stability as an asset. We realized quickly into this project that we would need to create our own platform eventually, as there are key features that uniquely must be implemented to provide necessary information about the land.

This marketplace will be a secular platform including its own listing capabilities, convenient built-in KYC verification, and legal contract requirements. This will be somewhat similar to current secondary NFT marketplaces but with additional features like multiple photos of the land, an updated estimated property tax, and detailed information about the property: furnishings, utilities, full lot size, etc. The Terra Bazaar will be taking a 2% exchange fee. 80% of the fee will be used to continuously update iterations of the marketplace as well as handle maintenance of existing attributes. 20% of the market place will be given back to the Blue Terran DAO to furthering the Blue Terran mission and supporting our holders: for example, through contributions for communal development or maintenance.

Blue Terra will be partnering with real estate firms around the world in order to verify all of the properties on the marketplace. The real estate agents will be collecting a commission on the sale that will not exceed 5%. Additionally, agents will work on a variable pay model to encourage high quality verification. Blue Terra and its parent organization are Bahamian based companies and not required to disclose any information to foreign governments about our users’ purchases and account details.

8 Case Studies

Although the history of land ownership through NFTs is fairly limited, we prepared the following case studies. The case of Singapore illustrates the legal

flexibility of the Westminster model, particularly in the area of leasehold ownership. The case study of The Bahamas demonstrates the precedence of freehold ownership in their legal system. Combined, these examples delineate a clear and exciting legal path forward for a system of decentralized land sale and ownership built on a freehold lease distribution of perpetual leases.

8.1 Singapore

The long term “leasehold” agreement has been popularly used for centuries throughout various parts of the world. Singapore is a notable country that frequently uses the leasehold arrangement as a form of ownership. For example, since the Singaporean Government owns 75% of the land, the government is motivated to secure the scarce amount of land for future Singaporean generations. By using the “leasehold” ownership method, this enables the government to secure Singaporean owned land from foreign/domestic businesses while still profiting off the land.

The concept of a “leasehold” was introduced to Singapore by English property law. “In English property law, demises of land for a term of years were considered to be dealt with by means of personal actions and hence leaseholds in English law were never considered as ‘realty’ and were free of the excessively complicated system of rules which applied to ‘real’ property...The aim was to avoid the complicated property law and create a simple system.”²⁶

In 1956, Singapore adopted this framework and slightly modified it to further the simplicity of the agreement. The ‘Torrens System’ was born by Singaporeans creating a simplified system of titles for land. “The objectives of the Torrens system was to simplify titles to land and reduce the costs, to facilitate dealings in land and to secure absolute certainty of title. The intention of the legislature was to introduce a system of transfer that is simple, cheap, accurate, adaptable and expeditious.”²⁷

Currently, Singapore mainly offers leasehold property and/or land for 99 - 999 years. For example, Singapore has recently introduced a housing program; HDB flats. The HDB flats program allows the government to continually provide affordable new flats for future generations. A 99-year lease means that the flat can be handed down one or two generations before it is returned to the state for redevelopment. With a 99 lease expiry, the citizen will have full ownership rights to the property and can choose to renew the lease. Once the lease expires, the property is returned to the state and is renovated with new infrastructure for the next 99-year lease. Since 1967, all sites for private residential land in Singapore have also been sold on leases no more than 99 year²⁸. However, there are many instances where there is land that is based on an auto-renewed perpetual ongoing lease for 999 years.

Blue Terra aims to laterally apply this framework through digital and physical integration. The NFT that holds the leasehold will provide the tenant full ownership rights for “x” amount of years while still maintaining the freehold ownership by a Bahamian. “In essence, this arrangement is a specialised form of financial engineering.” The micro-land leasehold will provide the tenant the

ability to grow, develop, sell with far more “ownership” than full freehold ownership. “Land-owners do not contribute to economic growth because they do not invest in production but spend their revenue on consumption.” By having micro-leaseholds to multiple tenants with the potential to develop, the tenant can make a return on their potential business/development within the given year terms of the lease. Once the lease expires (150 years), it will be returned to the freehold corporation or the tenant can choose to renew the lease. The leasehold cases explained through Singapore exemplifies the success and value of the leasehold model. The Singapore economy continues to thrive through capitalizing on land through leaseholds.

8.2 The Bahamas

In June 2021, The Royal Caribbean Group (RCG) became the holder of the most recent leasehold agreement approved under the Bahamian government. This agreement gives the RCG development rights to Bahamian 7 acres of land and seabeds for the next 100 years. The lease agreement stipulates that the RCG must pay a rent fee to the Bahamian government of \$140k annually²⁹. In exchange, the RCG will be able to develop the land into a beach club destination for its guests. The RCG estimates that this development will attract about one million tourists and will ultimately be beneficial to the Bahamian economy. The projected financial return into the Bahamian economy from the Royal Caribbean Beach Club is about \$26M annually. Along with this revenue generation, thousands of jobs will also be created to employ Bahamian citizens.

The land lease provides the ability for the RCG to build a development on Bahamian land without having foreign freehold ownership of the crown land. The RCG will be able to make a substantial return on the investment of the Beach Club Development and that will financially invigorate the Bahamian economy. Once the land-lease expires in 100 years, the land will be returned to the government as Bahamian Crown land. At this point in time, the Bahamian government will be able to sell the land to a Bahamian citizens or begin a new land lease for the next 100 years to come.

9 Conclusion

The promise of decentralized land sale and ownership is incredibly exciting for both the developed and developing world. For the former, cutting out the middlemen involved in the normally laborious process of real estate acquisition would help make markets more efficient and life easier. For the latter, access to stable property rights for the first time could change absolutely everything. Without needing to depend on the recrudescence of instability of corruption and lack of infrastructure, billions could have newfound access to a real asset against which they could borrow or lend and hence invest. The immediate value proposition for land as a real asset, hedge against inflation, and non-volatile source of passive income makes the challenge of formulating a decentralized solution to

real estate all the more pivotal for a truly decentralized world. This paper proposes a new model for land ownership through NFTs that is efficient, accessible, secure, and tradable. Although our scope has been limited to The Bahamas and its property law, its roots in the Westminster model and the English Common Law suggest some degree of generalizability to countries elsewhere.

10 Legal Disclaimers

Nothing in this whitepaper is an offer to sell, or the solicitation of an offer to buy any NFTs. Blue Terra is publishing this whitepaper solely to present our model and receive feedback and comments from the public. The official mint date for Blue Terra will be announced through our social media accounts. Nothing in this whitepaper should be treated or read as a guarantee or promise of how Bahamian law will exist in the future. Our model works well at the time of writing, but things could change outside of Blue Terra's control.

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