

# P&Z and Blockchain

## Blockchain Tokenization

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### What is blockchain?

- Blockchain is a type of shared database that differs from a typical database in the way that it stores information; blockchains store data in blocks that are then linked together via cryptography.
- As new data comes in, it is entered into a fresh block. Once the block is filled with data, it is chained onto the previous block, which makes the data chained together in chronological order.
- Different types of information can be stored on a blockchain, but the most common use so far has been as a ledger for transactions.
- Blockchain is typically used in a decentralized way so that no single person or group has control—rather, all users collectively retain control.
- Decentralized blockchains are immutable, which means that the data entered is irreversible. Transactions are permanently recorded and viewable to anyone.

### What is a token? What is tokenization?

- Tokens allow developers to create a representation of value on a blockchain platform such as Ethereum, Polygon, or Algorand. and can be used to represent just about anything as determined by the issuer of the token. This is how real-world assets can be purchased, traded, borrowed, lent, or sold on a blockchain network.
- Historically a piece of paper has been used to represent ownership.
  - Deed to a house
  - Title to a car
  - A paper stock certificate
  - A treasury note
  - A paper dollar, euro or other national currency
- A token is simply a digital symbol of ownership as opposed to a piece of paper
  - P&Z CO-OP creates tokens for purchase that represent ownership in an LLC that owns real estate and serve to organize large numbers of people who share in property ownership, while maintaining the ease of a smaller nimble LLC.
- Tokenization is the process of protecting data (membership in a CO-OP, LLC) by creating an algorithmically generated number called a token to preserve business utility.
  - The purpose of tokenization is to protect data while preserving business utility. Like the traditional paper representation of CO-OP membership, you can trade or use a token easily and exchange it for its represented value when you like.

### What are the benefits of tokenized real estate?

- Tokenized real estate makes real estate investment affordable to anyone, and tokenized membership makes it practical. Real estate can be purchased quickly and easily through your phone or computer, your ownership is secure, and you realize the benefits of owning property
- By creating tokenized Co-Ops for each property, a pool of liquidity is created for the purchase of that property, eliminating the need for a loan and maximizing the profitability of real estate ownership.
- Since tokens are more easily accessible and broadly available the liquidity pool increases allowing for more efficient acquisition of real estate.

### Which blockchain is P&Z using to tokenize properties?

# P&Z and Blockchain

- P&Z CO-OP uses the Polygon (MATIC) blockchain. MATIC offers many benefits
  - Very fast
  - Low transaction cost
  - Secure system that rides on the Ethereum blockchain
  - Simple integration with wallets
  - Polygon uses smart contracts that allow us to automate many processes and features in our community

Unique solution ID: #1000

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Last update: 2022-11-17 03:13