

Whitepaper Executive Summary

The aim of this document is to deliver a brief summary of the mission the U-platform is setting itself to achieve. For a more thorough and detailed view please refer to the whitepaper located on our website: www.umbrellaplatform.com

What are the issues?

The umbrella platform aims to solve several problems within the real estate cycle.

Problem: The real estate entry barrier – imagine you have USD 10 000 and you wish to participate in a brilliant development in which you are extremely convinced because you know the developer, it's in a great area and you have studied the market. Unfortunately the apartments are going for USD 1 million and the minimum downpayment is 10% (USD 100 000), you will not be able to participate in this project.

Solution: However if you could lower the barrier and put it USD 100 would you not be interested in participating in this project? By using tokens to represent an amount of square feet determined by the developer on the onset it is possible to lower the barrier of entry dramatically. You could then trade these tokens on an exchange as the development is being built and earn a return on investment from the rent when it is built.

Why this is important:

Tokenization of buildings solves two issues at once, ways for developers to raise money much faster and new ways for people to participate in real estate with a considerably lower entry barrier and less risk.

Problem: Circumventing banks – banks are a great way to finance your development once you have an established business, however for new developers entering the market it is near impossible to get a business loan. You need experience to get the loan but you need money to make the experience happen – classic example of a vicious circle.

For established developers banks provide several issues that can be identified as high fees, long transfer time for cross border payments and bureaucracy.

Payments is a huge issue in the construction industry, as a supplier of goods and services being assured of payment and taking it upfront is a priority. There continue to be a surprising amount of lawsuits tied to non-payment in the construction sector in the industry, however what if it would be possible to provide a system that could control payments in a more transparent and efficient manner?

Solution: By implementing a token system and escrow wallets it is possible to circumvent the bank entirely. If you could use a stable token pegged to the dollar to pay for goods and services over time you could build smart contracts on ether's blockchain to guarantee that payment be processed on delivery and hold the money in escrow wallets till delivery is complete.

By giving the people an opportunity to participate in the projects they desire new developers would have the opportunity to rise in the marketplace.

Why this is important:

Tokens, ICO's, blockchain and smart contracts work hand in hand to solve these issue, if you can reduce fees for developers for financing, sending and exchanging value, you can reduce the overall cost of a building. By establishing smart contracts and escrow wallets that automatically pay upon delivery of goods and services we assure the suppliers that their work will be compensated and incentivize them to do so effectively and efficiently.

Problem: No consolidated marketplace for suppliers in a geographical area – many suppliers will list themselves in all matter of directories, virtual marketplaces and yet the most recognized advertising way is still word of mouth in this industry. Trusted suppliers are often booked two years ahead and new or otherwise less known suppliers struggle to get known because they are undercut by cheaper but often lesser quality suppliers. Every developer and supplier will have their own contractual conditions based on services/materials/geographical provenance and destination and other criteria. These criteria make contracts between two parties problematic and time consuming to adapt and redact.

Solution: Create a marketplace where a network of peers and buyers could grade the companies delivering goods and services and where contractors could buy these services through tokens linking the marketplace to the exchange of value system mentioned above. This would guarantee payment is made within this marketplace, enticing more suppliers to participate and enhancing quality/price ratio for buyers. Suppliers will be able to market themselves directly to professional buyers in a targeted way and the network of peers would determine their trustworthiness based on number of transactions, quality, price and other criteria.

Why this is important:

Tying in all the issues and creating a beneficial eco-system for suppliers is key for the exchange of value through tokens to work. If a virtual marketplace that offers targeted advertising, controlled exchange of value through smart contracts and a network grading system is created for the right market it will eventually tie in all the actors of the market and bring down the overall prices in a fair trade market.

Problem: Construction overheads, oversight and inefficiency – working efficiently with minimum overhead in a very labor intensive process is a difficult task. Trust and control are key during the construction of a building, unfortunately there is still a lot of overhead due to loss, unskilled labor, misappropriation of materials and other building related mishaps.

Solution: By implementing new technology in the area of construction such as Building Information Management it is possible to build 3d models buildings, estimate cost from the onset, mitigate risk onsite using AI and reduce overall labor.

Why this is important:

Most construction experts will agree that technology can optimize the construction process, however there are still many areas of improvement and no consolidated platform to integrate all solutions. Umbrella aims to provide a platform for these solutions to be integrated and offer them as a tool for general construction companies to accompany the works and in this way increase the transparency of the construction.

The problems discussed above are interconnected and can be solved by implementing controls such as public immutable records (blockchain), innovative ways of fundraising (ico's), new controls and medium of exchanging value (wallets and tokens), new virtual marketplace and technological tools to optimize construction (BIM).

Solutions

The solutions devised by our team are the following:

U-Invest – a marketplace for investors to exchange their tokens and analyze their returns

U-Fund – a module that tokenizes selected buildings and offers them on the U-invest platform

U-Dev – a construction optimization platform that integrates BIM tools provided by Autodesk and a Real time monitor to track construction process for all agents involved in the process

U-Supply – a professional marketplace for suppliers to advertise and trade their goods and services

U-Manage – a module aimed at managing your tokens

U-Property – a module for to transact on secondary real estate with crypto currency with U-coin

U-Pay – a system of escrow wallets powered by blockchain and smart contracts.

U-Audit – an audit tool to analyze purchase of materials/services and benchmark it to current market pricing

The process:

1. Tokenize a building with U-Fund.
2. Offer those tokens on U-invest to investors – investors will buy first release of property tokens with Anchoins
3. Use the Anchoins raised on U-invest to buy materials on U-supply
4. Start building using the tools provided in U-dev
5. Track the construction progress through the RTM (real time monitor)
6. Review pricing, timing and quality of supply through U-Audit
7. Manage the return on investment through U-manage

Tokens

These solutions will work with a three token system, U-coin, Anchoin and Property Tokens.

U-coin is the reason we are conducting the ICO, it's a speculative coin in which you will be able to pay for services in the financial eco system, receive your rent, participate in reward programs and exit into fiat on the exchanges. Traded and exchanged externally.

Anchoin is a USD pegged stable coin solely established for payment of services between buyers and suppliers. The first purchase of any property token will be only in Anchoin, therefore investors will need to have Anchoins to access to the first release of property tokens. Traded and exchanged only on our platform.

Property Tokens – these are tokens that represent a sq ft of either a development under construction – Off Plan Token (OPT) or a ready property (RPT). The OPT will be automatically converted by the system into RPT when the property is delivered. The key difference being that the RPT will have a fixed income and capital gain properties whereas the OPT will have higher capital gain potential but no fixed income. Traded and exchanged only on our platform.

Why will the U-coin gain value?

For any of the participating parties to exit into fiat the most cost effective way is to exchange their Anchoins or Property Tokens into U-coins and then exit into fiat on any of the exchanges U-coin will be listed.

The more projects the platform will feature the more likely U-coins will increase in price because of a much higher activity rate, more tokens traded and overall greater amount of participants.

To trade tokens after their initial release you will be using only U-coins. With a limited amount of tokens this will initially give U-coin a higher valuation.

ICO

The sale of the tokens will follow a reverse dutch auction principle, price of U-coins on the first round will be $X = \text{Hard Cap} / 10\%$ of total tokens. The second round the price will be $X = \text{Hard Cap} / 20\%$ of total tokens. And so on it will go till we arrive to the minimum price $X = \text{Hard Cap} / \text{total tokens}$.

If on round 1 hard cap is achieved and all 10% of tokens are sold the ICO will end and 90% of the tokens will be given to the market makers and 10% used as reserve funds. If on round 1, 10% of the tokens are not sold we continue to round 2 and so on.

In this way the investors get the chance to choose the price of the tokens on their own, either buy it at its highest on round 1 or at its lowest on the last round.

For every 3 dollars raised in U-coin 1 dollar will be automatically converted in Anchoin and airdropped to the users wallet after close of the ICO. With a goal of 30M USD Hard Cap the aim is to get 20M raised in U-coin and distribute USD 10M in Anchoin – these USD 10M will be held in escrow. This would allow us to have enough money for development for the next 5 years, be able to buyout one of our first projects and enough Anchoin for users to buy the first project release which will be worth approx. USD 10M.

As more and more projects accrue in the pipeline we will strategically release more Anchoins to respond to the demand, however there will only be one U-coin ICO and no other.