

Cryptohouse Whitepaper

1.CRYPTOHOUSE

Cryptohouse is a Romanian fintech startup that uses blockchain to tokenize real estate assets. We are uniting two very profitable markets, the real estate market and the Crypto market. Until recently, blockchain was known more as the technology powering Bitcoin. However, industry players now realize that blockchain-based smart contracts can play a much larger role in the real estate market, potentially transforming core real estate market operations such as property transactions. Crypto itself is a property management system. But it has the best use cases on the backend rather than the frontend.

A blockchain-based digital identity for a property may include its history, location and ownership details. Often, buyers and banks may rely on a property's digital identity for title assessment, as any changes to existing data must be agreed upon by multiple blockchain nodes. Additionally, the distributed, tamper-resistant and encrypted nature of blockchain can make it difficult for criminals to commit fraudulent practices related to liens, easements, air and subterranean rights, titles, or transfers. This increased security and transparency can reduce title fraud risks and costs by streamlining the title inspection process.

Benefits of using blockchain technologies include the use of digitized and automated processes, immediate trading and liquidity, ability to fractionalize, increased diversification, access to new types of investors, access to new global infrastructure of investors and secondary liquidity markets, programmable tokenized shares for automation of cross-border transfers, ability to automatically lock-up periods and offer dividend payment. We plan on using smart contract functionalities include: custody, DeFi lending, atomic transfer and other smart contract functionalities.

The use of automated smart contracts increases security by removal of human errors, transparency and traceability, because everything is available for everyone to see. On-chain verification of your ownership can be done with full privacy in mind. A platform administrator can maintain the individual token holders in a wallet with their digital custodian of choice. In the event the client wants to self-custody, that can easily be done. It has no influence on the ability to purchase a house. We hope our white label can help simplify back-office functions across multiple categories by applying our customizable blockchain solutions to the best fintech infrastructure available. Our areas of interests are, real estate developers and contractors and real estate agencies and investing.

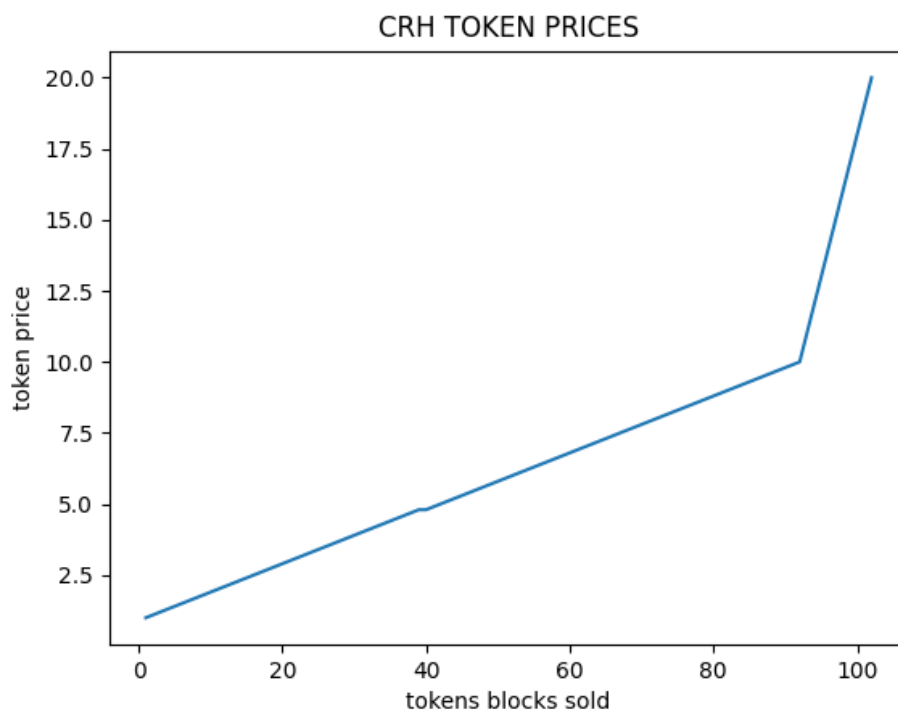


1.1 CRH Token

For now the token is only created in the internal ecosystem and we plan to release it to the Ethereum blockchain as an ERC-20 token later in the second half of 2022. Ethereum is a technology that's home to digital money, global payments, and applications. The community has built a booming digital economy, bold new ways for creators to earn online, and so much more. It's open to everyone, wherever you are in the world – all you need is the internet. The ERC-20 standard provides functions including the transfer of tokens from one account to another, getting the current token balance of an account and getting the total supply of the token available on the network. Smart contracts that correctly implement ERC-20 processes are called ERC-20 Token Contracts, and help keep track of the created tokens on Ethereum.

ERC-20 Tokens are built-in smart-contract that make it possible to carry out reliable and confidential transactions without the participation of external intermediaries in the person of banks or other third parties. ERC-20 Tokens are stored and sent using Ethereum addresses and transactions. The processes of transfer and storage are very simple. For this, digital wallets are used that implement the storage and processing of send and receive, convert, exchange etc, as well as the formation and signing of transactions. We are planning to have a peer review process for our smart contracts development.

The total supply of tokens is fixed to 10 000 000 CRH tokens. Initial sales start at the value of 1.0\$/ token and all tokens are split in 100 blocks. Each block will contain 100000 tokens. After 100000 tokens are sold the price will increase automatically. Initially the token price will increase by 10 cents (0.1 \$) for the first 90th blocks, and after that point the token will hit the price of 10\$. After that point the price change from every 100000 token blocks will be increased to 1\$ instead of 0.1\$.



The price is modeled after this function:

Recursive Mathematical representation:

$$f(1) = 1$$

$$f(x) = f(x - 1) + 0.1, x \leq 10$$

$$f(x) = f(x - 1) + 1, x > 10, \text{ where } x \text{ is the current block.}$$

Solidity linear implementation:

```
function setPrices() public {
    uint price = 1;
    for (uint blocks = 1; blocks <=100 ; blocks ++ )
    {
        if (blocks <= 90)
        {
            price = price + 0.1;
        }
        else
        {
            price = price + 1;
        }
    }
}
```

In the special case if a user orders a token package that exceeds the current remaining tokens in a block the price is calculated at the current token block price if half of the order can be fulfilled by the current block and if not all the tokens in the package will be sold at the next price milestone.

We guarantee in the beginning at least a 60% buy back at the value you bought the tokens, that guarantee is backed by the real estate investments, tokenized assets and our aim is not to create a speculative token.

2. Staking

We offer 3 periods of staking and the respective token rewards:

| 1 year staking | 2 years staking | 3 year staking |
|----------------|-----------------|-----------------|
| 5% more tokens | 10% more tokens | 15% more tokens |

In our ecosystem it is mandatory to have at least one year of lock-up before you can try to acquire an apartment or a house. We work together with real estate developers and fund their development programs and using this leverage so we can offer you a way lower price than the market but you have to wait.

The token rewards are distributed at the end of the staking period and can't be accessed prior to the end of the term. Meanwhile the tokens are in the lock-up period. They function as a liquidity provider for the real estate developers and the contractors to incentivize them to finish their projects and sell them in our ecosystem.



3. **Seculative assets.**

Let's say that Alice buys some CRH Tokens. Then if Alice sells the token to Bob and then Bob sells the token to Charlie then the token will not be backed by the real estate promised and the CRH token will become pure speculation leading to great price fluctuations and token instability. That will surely be amplified by the movement of the crypto market and may lead to people losing their money. Therefore in the beginning of the project we will not incentivize speculation on our token and we will actively oppose it. Our main action in providing the liquidity necessary for the development is the lock-up period and our incentives are the token staking rewards. If people speculate on the price of the token early on, the liquidity for the real estate developers and contractors may quickly dry up in the event of a market dip.

4. **Additional projects and the future**

We include in our roadmap the possibility to release new tokens using the same plan and the same formula but for the commercial real estate, industrial or even raw land. We will diversify our area of operation to more real estate niches.

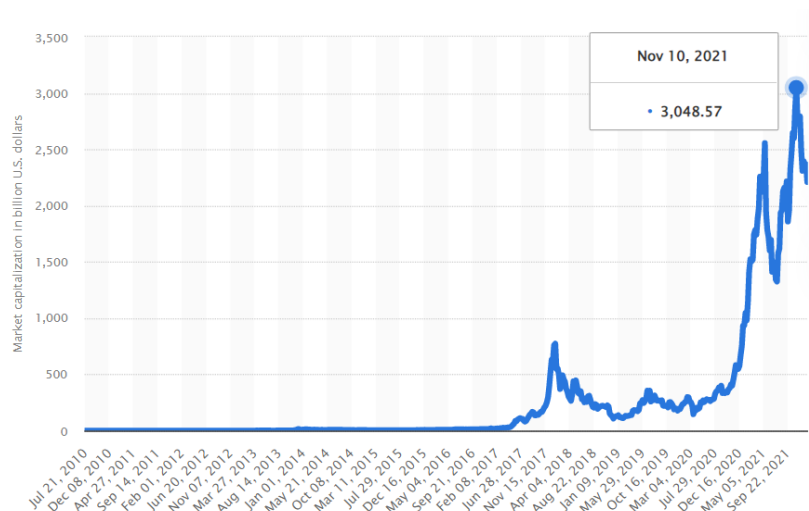
Over time, blockchain adoption can have a broader impact, as it can be linked to public utility services such as smart parking, waste, water, and energy billing, and also enable data-driven city management. So we believe in a future where blockchain will be a key part of the infrastructure.

5. **Roadmap**

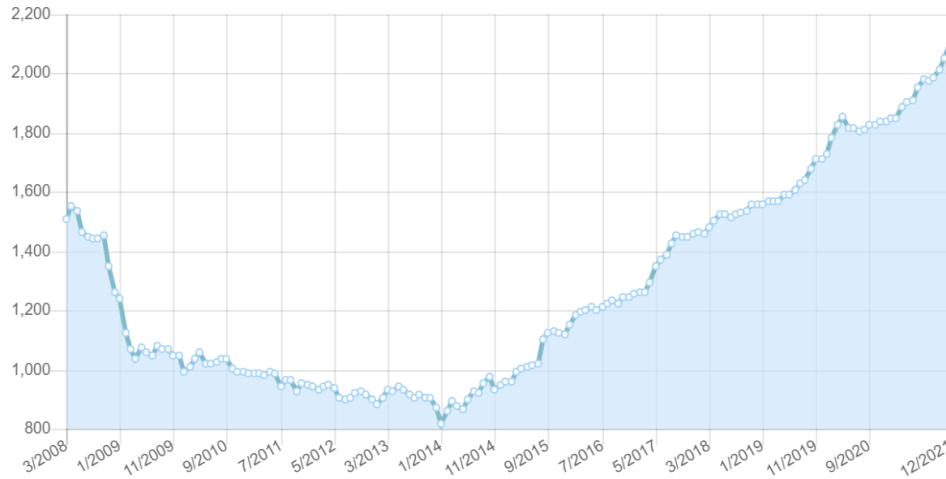
In our roadmap we plan on releasing the CRH token in an ERC-20 in September 2022 and we plan on selling our first apartment around that time frame. Before the coin goes public the initial offer in our vesting schedule.

We predict that the token will hit 20 \$ as of 2023-2024 and early investors can get from 1000% to 2000% on their investment. Given the fact that the real estate market and the crypto market have experienced tremendous growth in the last 5 years, we think our predictions are accurate.

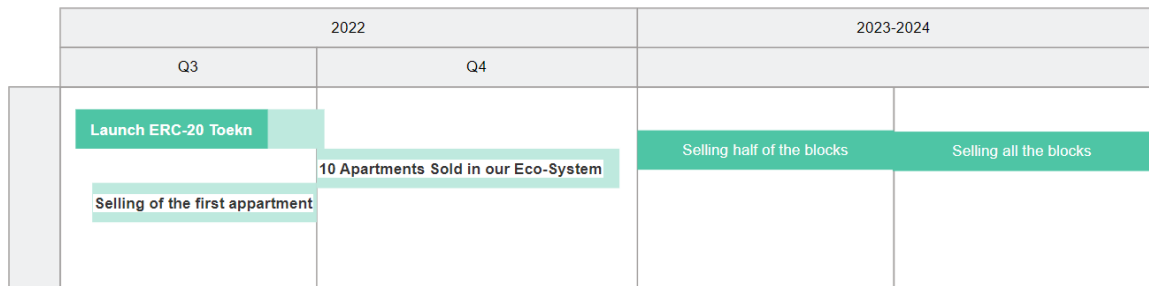
Here is a chart with the growth the cryptocurrency market has increased in the last 10 years.



Here is a chart with the real estate price per square meter in Cluj-Napoca, our main area we invest and develop. You can see that the prices have increased and have a good track record in the past 10 years.



We guarantee that 60% of the token acquisition value goes into real estate assets. The total risk an investor assumes is a max 40% on his investment and the rewards can span in the range of thousands percents. The only potential risk that can hinder the price of the token is our capacity to sell the token and create mass adoption in the market.



6. References

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