

US-Based Crowdfunding Company Simplifies Fundraising for Real Estate Players With a Blockchain-Based Security Token Issuance Platform



Tokenization platform to infuse liquidity and transparency in the real estate ecosystem

The Client

The client is a US-based start-up aiming to help ambitious real estate entrepreneurs across various locations in the USA raise funds in a seamless manner and scale their ventures.

The Challenge

Traditional real estate markets in the USA continue to grapple with several inefficiencies including high entry barriers, excessive paperwork, involvement of multiple intermediaries, lengthy settlement cycles, and a lack of transparency. This dissuades potential investors from actively participating in the real estate ecosystem, making it difficult for real estate players to fund projects and grow their businesses. The client needed to build a robust crowdfunding platform to address the challenge.



High barriers to entry due to substantial upfront investments involved



Excessive paperwork and complex procedures add to investor woes



Inefficiencies make it difficult for real estate players to secure project funding and scale business

The Solution

Damco's Web3 experts collaborated with the client to evaluate their requirements in detail and developed a state-of-the-art tokenized security platform leveraging Ethereum Blockchain. Here are the key features of the platform:

■ Issuance of Digital Securities

The real estate players issue digital securities (tokens) on the Blockchain platform in the form of new deals or offerings. These tokens represent fractional ownership in a real estate asset.

■ Investor Subscription

Deals/offerings approved by the platform administrator can be viewed by the investors who can express their interest or subscribe to the deal. The investor can cancel his subscription before the cooling-off period expires. If not canceled, the subscription is deemed successful, and digital securities (tokens) are credited to the account of the investor.

■ Smart Contracts

Dividend payments corresponding to digital securities are converted into smart contracts that are executed automatically based on the due date specified on the timestamp.

■ Live Data Audits

Since all the data can be accessed publicly, real estate regulators can validate transaction history and other details by auditing live data on the Blockchain platform. Live audits allow them to closely track transactions and pinpoint fraud or other financial irregularities well in time.

■ KYC Verification

KYC verification of the newly registered issuers and investors is carried out by the platform administrator. The latter also approves the deals/offerings issued on the platform and monitors the activities of all stakeholders.

Value Delivered

- Blockchain-powered tokenization platform has democratized access to real estate investments and simplified fundraising for real estate players.
- Tokenization allows for near-instant liquidity, as investors can convert digital securities into cash and vice versa quickly and seamlessly.
- Distributed ledger facilitates enhanced tracking of ownership of digital securities, allowing for improved transparency and compliance in the real estate ecosystem.
- The blockchain-based issuance platform makes the record of all real estate transactions publicly accessible, minimizing the incidence of fraud.
- Elimination of third-party intermediaries reduces the time and cost associated with transactions, leading to amplified earnings for all stakeholders.



Need a next-gen security token issuance platform like this one?

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About Damco

Damco Solutions is a trusted technology and digital transformation partner for businesses around the globe. We engineer software products, create new digital experiences, modernize applications and automate business processes for greater agility and business growth. With 27+ years of leadership in software engineering and digital solutions, our mission has remain constant - complete client success.

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