How to Access the Most Desirable Real Estate Markets in the World with Blockchain Technology

Real estate is one of the oldest, most regulated, and desired asset classes. However, the $320 trillion valued market is still one of the most inaccessible for everyday investors. Many potential investors are sidelined by high entry costs and significant downside risks associated with poor investment decisions.

Investors require an improved way to get exposure to the immense benefits of real estate deals with relative ease and minimal risks. Web3 real estate investing platform **Parcl** leverages blockchain to address the current bottlenecks facing property investing. Parcl brings the world's most desirable real-world asset (RWA) to the blockchain by offering a platform for users to get exposure to entire cities through an index.

An RWA index is one that measures the underlying price of a tangible asset that exists in the physical world that has been bridged to the blockchain. By investing in an RWA index, Parcl users allocate capital to an investment vehicle that tracks the price movements of a city's residential real estate market.

What sets Parcl apart is its focus on high-demand markets such as New York and Los Angeles, which are notoriously challenging to invest in due to high prices and agent fees. Beyond tokenizing real estate on the blockchain, Parcl prioritizes these otherwise inaccessible markets, offering an innovative solution for DeFi traders seeking exposure to the global real estate landscape.

The Story of Parcl

Parcl's story began at the depth of the COVID-19 pandemic, which arguably disrupted the real estate market for decades to come. Parcl's experienced founder Trevor Bacon worked as a hedge fund manager at the technology and payments industry intersection. Bacon's expertise revolved around identifying relative value trades where one sector was losing at the expense of another and capturing the price appreciation at the winning field.

The COVID-19 pandemic created numerous opportunities, especially in the United States real estate market. For instance, while real estate values in major New York cities like Manhattan crashed by up to over 30%, suburban counties saw a [corresponding increase in demand](#), causing prices to skyrocket.

However, there was no viable solution for investors to capture this irresistible opportunity. The traditional investment approach required acquiring an exact house or building in the region, a process that was far from instant. Besides, Trevor Bacon had wondered,

"Why can't [investors] trade the value of general areas like neighborhoods, zip codes, towns, or cities? Why couldn't an investor be offered exposure to a city or neighborhood instead of having to choose an exact house or building?" Is there a way to avoid a hyper-specific investment that requires so much cash?."

Parcl was born to make these previously impossible trades possible and level the barriers facing global real estate investing. As a case study, Parcl is already empowering international users and DeFi traders to gain exposure to the U.S. real estate market for the first time.

Parcl's blockchain-based solution further democratizes access to the most lucrative real estate markets, allowing anyone to invest as little as a dollar into a traditionally barricaded asset class. Parcl makes it possible to invest in a single city's residential real estate market, unlocking high-demand markets like New York, Los Angeles, and Miami.
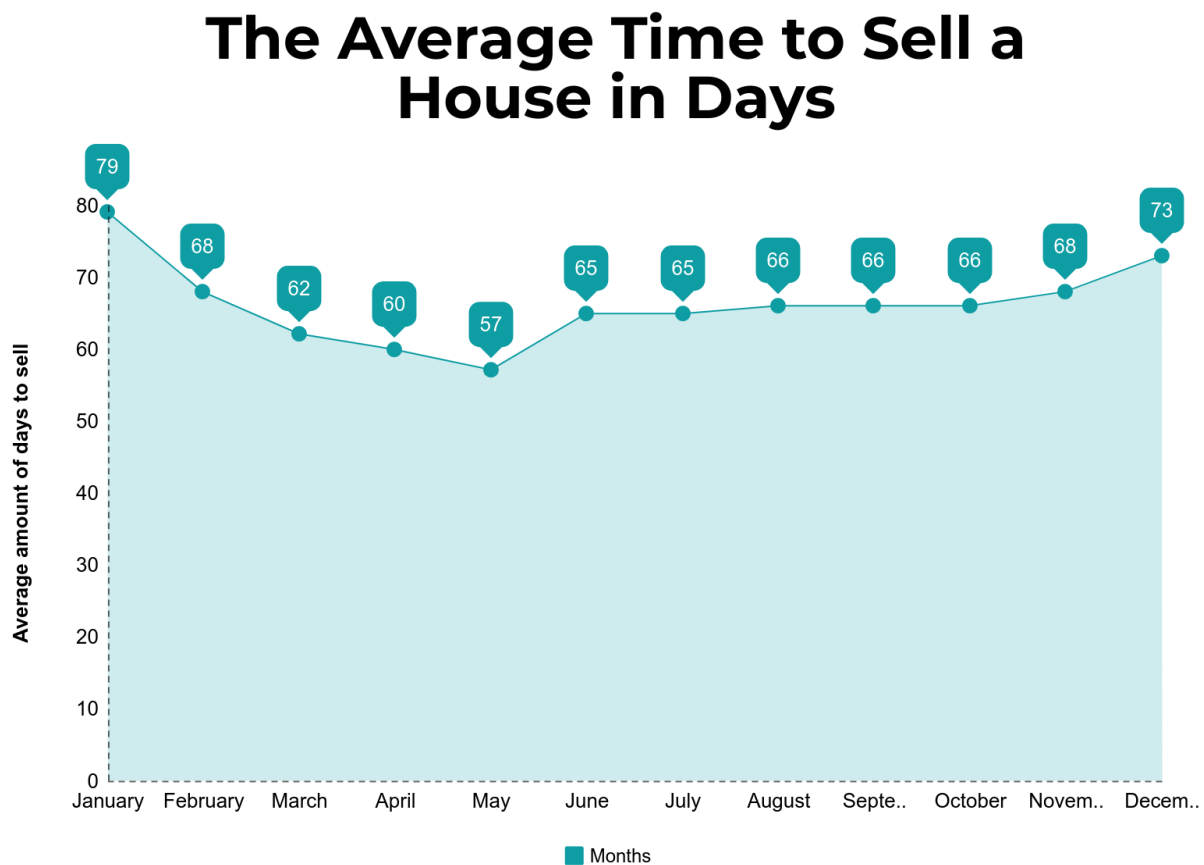
How Parcl Is Different from Other Forms of Real Estate Investing

Parcl differs in several ways from other forms of real estate investing. The most notable is that Parcl's DeFi protocol enables users to invest in neighborhoods and cities instead of specific buildings. Parcl indexes are the first ever real-world asset (RWA) Index that represents a city's residential real estate market. Each Parcl index represents the median price per square foot in a given geographical location and is freely tradable within the platform's liquidity pools.

Parcl's radical approach to real estate investing unlocks numerous benefits. For one thing, it eliminates the particular risks of owning a real estate property within a distinctive region. It

empowers investors to gain exposure to multiple RWAs through a single vehicle and thus extract value from the underlying neighborhood.

Parcl's novel platform for DeFi traders is notable for bringing unparalleled liquidity to one of the world's most illiquid assets. The current real estate investment landscape requires investors to engage several stakeholders, including agents, brokers, title companies, and local governments, before entering or exiting the market. In the United States, a house sits on the market for an average of 22 days, with a standard 30 to 45 days closure period also included. In the United Kingdom, it takes at least 57 days to go from listing a property to closing a sale.

The Average Time to Sell a House in Days

Source: Housebuyers4u   *Statistics taken from Rightmove 'average time to sell' data

(Source: HouseBuyers4U study)

Parcl's solution drastically improves the timeline for real estate investors. Trading Parcl's RWA indexes lower the entry and exit timeline to mere minutes and allow users to proactively manage their portfolios.
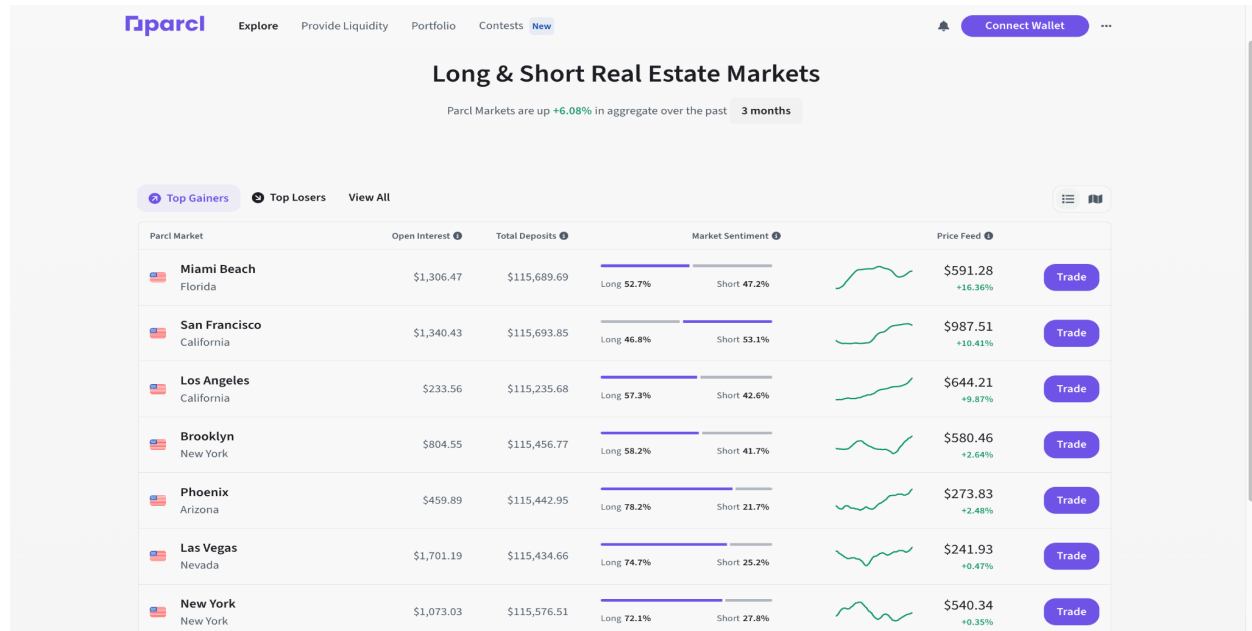
Additionally, the Parcl platform represents a significant improvement to Real Estate Investment trusts (REITs) and the idea of passive income from property investing. While REITs focus on investing in distinct buildings within diverse regions, such investments typically rely on various real-world factors beyond the average investor's control.

For instance, investors expect the real estate management company to remain proficient and hope that architectural trends in the area do not render properties less attractive for tenants. Parcl narrows down these risk factors by focusing on geographical areas instead of property-oriented features that are more susceptible to constant changes. Investors can thus benefit from truly passive income while eliminating the rigors attached to actively managed properties and investment assets like stocks.

Lastly, Parcl unlocks unprecedented flexibility and access to the most lucrative cities around the world. Unlike fractionalized ownership applications that often provide access to less-desirable areas, Parcl focuses on entire neighborhoods inside the world's best-performing cities, including New York, Miami, and Los Angeles, with international markets like Paris, London, and Singapore, to be available in the near future. Parcl users can invest in multiple cities at once, predicting market movement in a bullish or bearish direction.

The opportunity to go short on different regions is also a powerful tool for experienced DeFi traders. It provides a way to hedge against macro headwinds, such as rising interest rates, while protecting rental properties within these jurisdictions against a decline in value.

The Parcl Platform

Built on the low-cost Solana blockchain, the [Parcl](#) DeFi platform is easily accessible with compatible wallets. Users can invest in their favorite places, with over 15 cities currently listed on the platform, users can build their dream real estate portfolio. Parcl provides cutting-edge data analytics to enable investors to make informed decisions, a liquidity pool for passive income earners, and the flexibility of entering and exiting positions.

Parcl's protocol further improves the traditional leverage capabilities, which allow investors to own property with as little as a 3.5% downpayment. Advanced traders can maximize their real estate portfolio on Parcl by leveraging their original investment up to 10x for greater returns. The platform also offers collar positions mode, permitting investors to minimize the risk of volatility in either market direction by simultaneously holding long and short positions.
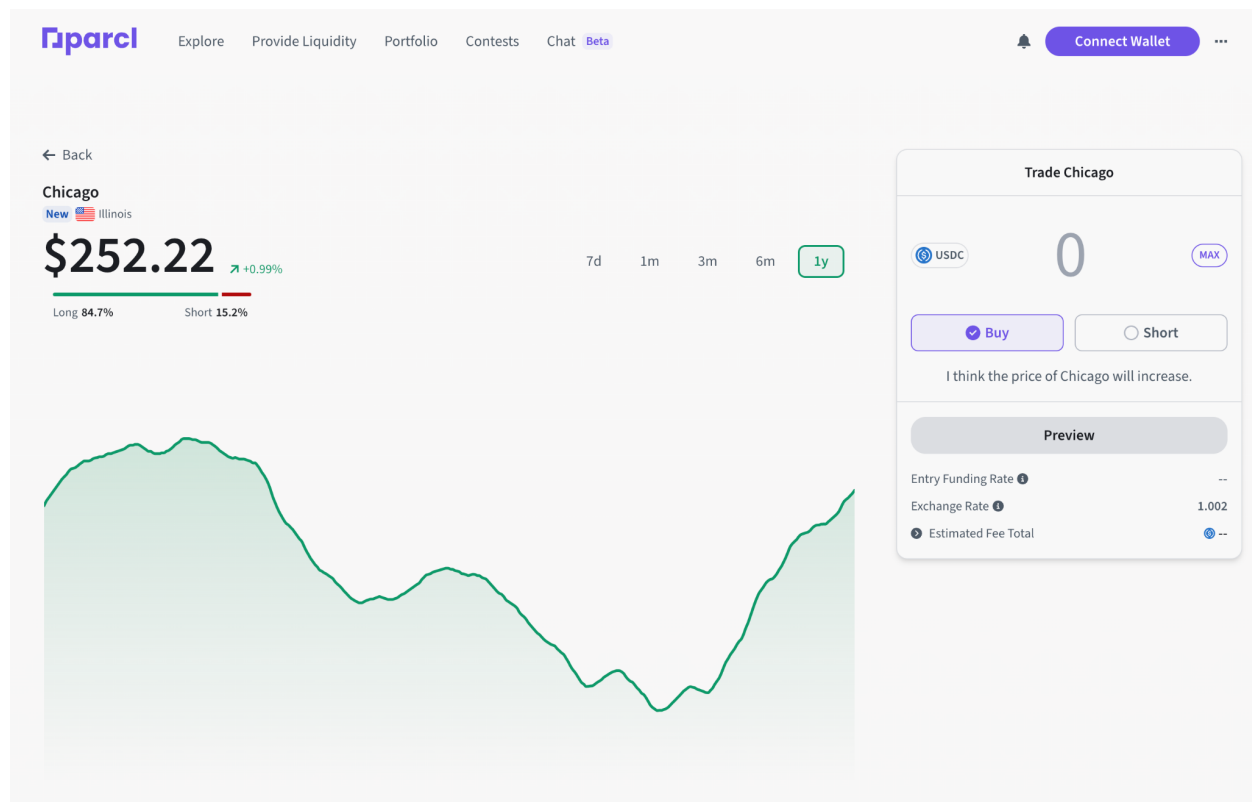
Who Parcl Is For

Parcl is ideal for DeFi traders and medium to long-term real estate investors who have conviction in the trends of a particular area and want a relatively easy way to gain exposure to such favorable dynamics. Users can maintain their position in these geographical areas by holding related open positions and providing liquidity to earn passive income.

Short-term traders also benefit from Parcl's flexible real estate trading platform. Parcl's current investable markets have yielded an average six percent return in the past quarter, making the offering attractive for investors seeking short-term real estate gains without the long-term commitment of owning and maintaining properties.

Moreover, high-frequency and momentum traders can leverage Parcl's platform to boost their real estate portfolio performance. Aside from the potential to profitably trade funding rates on listed assets, traders can tap into a superiorly quicker entry and exit route than traditional real estate.

Parcl Labs and the future

The Parcl real estate investing platform utilizes powerful and granular insights delivered by Parcl Labs, the protocol's lead maintainer. Parcl Labs' core invention, the Parcl Labs Price Feed (PLPF), tracks real-time changes in the value of residential real estate across multiple geographies and property types.

Parcl Labs adopts an enterprise-level process to evaluate hundreds of millions of data points that form the basis for its innovative price per square-foot metric for tracked neighborhoods. Parcl Lab's resourceful and granular data collection disrupts the largely-unchanged information ecosystem that has underpinned the real estate industry for several decades. Such high-end data will also pave the way for Parcl to expand into more markets like Paris, London, and Singapore over the coming months.

Experience the power of simplified real estate investing with Parcl.

Parcl taps into the power of the blockchain to provide innovative ways for investors to capture the value of real estate price movement in diverse geographical areas. This previously impossible trade demonstrates blockchain's potential to solve significant problems with RWAs and underlines Parcl's commitment to addressing these challenges.

At its core, Parcl levels the playing field for everyday investors by providing unparalleled liquidity, desirable locations, global access, and advanced features for leveraging price movement in multiple directions. Parcl's core proposition of allowing investors to gain exposure to entire neighborhoods and cities without owning specific properties in the real world is a game-changer for the simplified real estate investing landscape.

Parcl Labs is poised to significantly drive mainstream investment into real estate by providing cutting-edge insights and trading solutions. The race to disrupt the multi-trillion dollar industry is well underway, and Parcl's upcoming expansion into new territories will only pave the way for more investors to build truly global real estate portfolios!