



fintechjunkie.eth @fintechjunkie

Apr 27 · 9 tweets · fintechjunkie/status/1519391690733273089

Tr

I'm struggling to understand the value of "buying land in the Metaverse". I'm not for or against it (yet). I'm just trying to understand it.

Calling on the web3 community to help me wrap my head around the concept. A few thoughts: 🧵👉

The utility and value of Metaverse land isn't the same as IRL land. When thinking about IRL land, it's easy to true back to tangible reasons for owning it.

I stress "tangible reasons" because land is nearly useless in its raw form as "dirt". Utility is what drives its value.

And there are many ways of transforming "dirt" into "utility".

The obvious transformations involve making improvements that allow for one to live on the land (housing), sell things on the land (business) or make money directly from the land (prospecting).

Land increases in value when demand for a lot exceeds the supply of nearly interchangeable land (fungible).

Land also increases in value if the uniqueness of a specific lot makes it more valuable than alternative lots (non-fungible).

I'm struggling to understand land in the Metaverse because it doesn't follow the laws of nature. It isn't a finite resource. Location isn't fixed by immutable physics. And you can't use it as your primary source of shelter.

Metaverse land is a resource with "infinite artificial scarcity". There are many Metaverse companies creating worlds with their own "designed-but-mutable-in-the-future physics". Books like Snow Crash suggest that Metaverse physics can be figured out but it won't be simple.

So how do you know if you bought land in the “right” Metaverse?

How do you know what your land is worth without understanding the physics of your local Metaverse? If you develop your land does it produce resources that other people in your Metaverse will want?

Does Metaverse land collapse to a place to house and show-off your digital possessions? Or is it a bet that the “Metaverse-architects-of-your-Metaverse” find ways to make your land valuable.

The first isn’t that valuable and the second is definitionally high-risk speculation.

So I’m not pro or con Metaverse land, I’m just trying to understand it for what it is.

I’d love to hear thoughts from a “Metaverse Land Barron” and have them sell me on the concept as well as have a “Digital No-Lander” to talk me out of it!

• • •