SkyTrade - SKY Tokenomics V1

(Subject to change)

Abstract

The SkyTrade Foundation is a Swiss non-profit organisation established to promote the global use of air rights.

The SkyTrade Platform is powered by the SKY utility token. A fungible token which grants the holder digital access rights within the platform. Its native SPL token is minted on the Solana blockchain, with the official bridged version of ERC20 tokens supported on the EVM chain, leveraging a combination of low cost, high availability, high throughput, and existing infrastructure. It also utilizes a digital ownership and air-rights tracking system, comprised of compressed non-fungible tokens on Solana.

This document is written to describe the use of SKY tokens within the SkyTrade ecosystem.

Token Acquisition

SKY is the utility token of the SkyTrade ecosystem and can be acquired by three primary methods, as detailed below:

- **Bounties:** to bootstrap interest, SkyTrade will offer a limited amount of SKY to interested parties on a first-come, first-served basis. Users will have to perform a series of "bounties" such as following social channels, sharing the project with their friends, and registering their contact details.
- **Token Sale:** SKY can be acquired by future SkyTrade platform users during the token sale.
- **Drone Miners:** users can acquire SKY tokens by performing mining activities and contributing to the network. Please refer to the section titled 'Drone Miners' for more information.
- **Ambassadors:** users can acquire SKY by promoting the project and managing their territories. See the section titled Ambassadors to learn more.
- **Product Development:** users can acquire SKY by interacting with the project's new product launches.

Landowners

Landowners are a critical part of the ecosystem and represent the “supply side” of the platform. They license or sell the ownership of the airspace above their land to other users interested in acquiring this resource on the SkyTrade platform and earn an airspace rental fee, an option fee, or a one-time purchase fee for doing so.

Upon activation of their airspace, landowners are issued Air Token NFTs by a Wyoming entity (STL1 LLC), which represent the air rights (up to 500 feet) above their land or existing construction. This NFT represents legal ownership of the airspace and is accompanied by the necessary local government documentation. They can then earn in fiat or stablecoin, depending on the payment method used by the drone operator, by default. For a fee, landowners can convert all collections to the payment of their choice. Alternatively, the landowner can opt to receive SkyTrade SKY tokens instead of a fee, thereby qualifying for a discount or service on the SkyTrade platform. Landowners who opt to receive their payments in SkyTrade tokens can swap them on the market at any time (if the community ecosystem creates that market).

Real Estate Developers

Real estate developers ("Developers") represent one of the primary sources of the "demand side" of the airspace market. Developers can use the SkyTrade platform to easily search, discover, and purchase Air Tokens that landowners and other Developers are selling. They can acquire these air rights by accessing the SkyTrade platform using SKY utility tokens and purchasing the respective Air Token NFTs on the SkyTrade platform with their preferred currency. These air rights can then be used to expand the maximum buildable square footage for a given lot and combine them with those from neighbouring properties or within their permissible zoning district to increase the height of their development projects, subject to the jurisdiction's rules and regulations. The SKY Utility token can also be used to access premium features such as the SkyTrade Insights (https://app.sky.trade/insights) product at a discounted rate, which is useful to real estate participants, and air rights traders.

Air Rights Traders

Air rights traders ("Traders") form a key segment of the demand side of the airspace market. These participants use the SkyTrade platform to acquire Air Rights and Drone Routes, taking a view on future demand for vertical development or drone access. Traders are not necessarily seeking to develop the airspace themselves, but instead aim to capitalize on the expansion of drone transit, shifts in zoning laws, infrastructure projects, or neighborhood upzonings. By locking in rights at today's prices and selling the assets as value increases, they provide liquidity and price discovery to the marketplace. SKY utility tokens are used to access tools such as real-time market data feeds and analytics through SkyTrade Insights, enabling traders to identify arbitrage opportunities and hedge against regulatory or economic shifts in specific airspace corridors.

Drone Operator

Drone operators represent the "demand" side for the air rights and leverage the SkyTrade platform to source and acquire the temporary (or permanent) airspace access rights above a parcel of land. Drone operators can use the SKY utility token to access the platform, to license and lease one or more airspace parcels as needed to conduct their operations in a currency of their choosing. Examples might include parcel delivery flights, surveys, videography, surveillance, communications, traffic monitoring, weather research, reconnaissance, and other uses. Drone flights conducted for emergency services are exempt from both lease and licensing requirements.

Drone operators pay a fee (any currency or SkyTrade SKY Token) for licensing, and the platform accepts fiat or stablecoin. Drone operators receive from the Wyoming entity a token ("Rental Token") as proof of payment and a coupon used to redeem their airspace rental services. The Rental NFT is transferrable and expires after the scheduled rental date has elapsed.

Drone Miners

Miners acquire SKY utility tokens by dedicating mining resources using their mobile devices to monitor their local airspace for any drone flights. They can do so by downloading the SkyTrade Drone Radar application (https://sky.trade/radar) for their mobile device and continuously running it. Miners can be any user, such as a student, tenant, employee, homeowner, landowner or building manager, as well as existing DePIN miners with existing nodes with internet access. They earn a reward based on uptime on the network, fees and penalties incurred by unauthorized drone usage. The Drone Miners can then use the SKY token to access features on the platform and buy and sell air rights.

Ambassadors

Ambassadors serve to promote and onboard landowners and drone operators onto the platform. They can claim or are assigned a territory called a “hex” in which they operate. Hexes are territorial areas that cover the Earth, enabling Ambassadors to benefit from the future development of the network within their assigned territory. For each new customer they bring onto the platform, they are entitled to earn up to 10% of their future revenue as part of a revenue share arrangement. Ambassador earnings will be based on the referral rewards chart in the following section.

Ambassadors who are inactive, negligent, malicious, or cause intentional damage to the ecosystem are encouraged to relinquish their Hex to a new owner who may be better equipped to manage the region.

Tokens (Air & Rental)

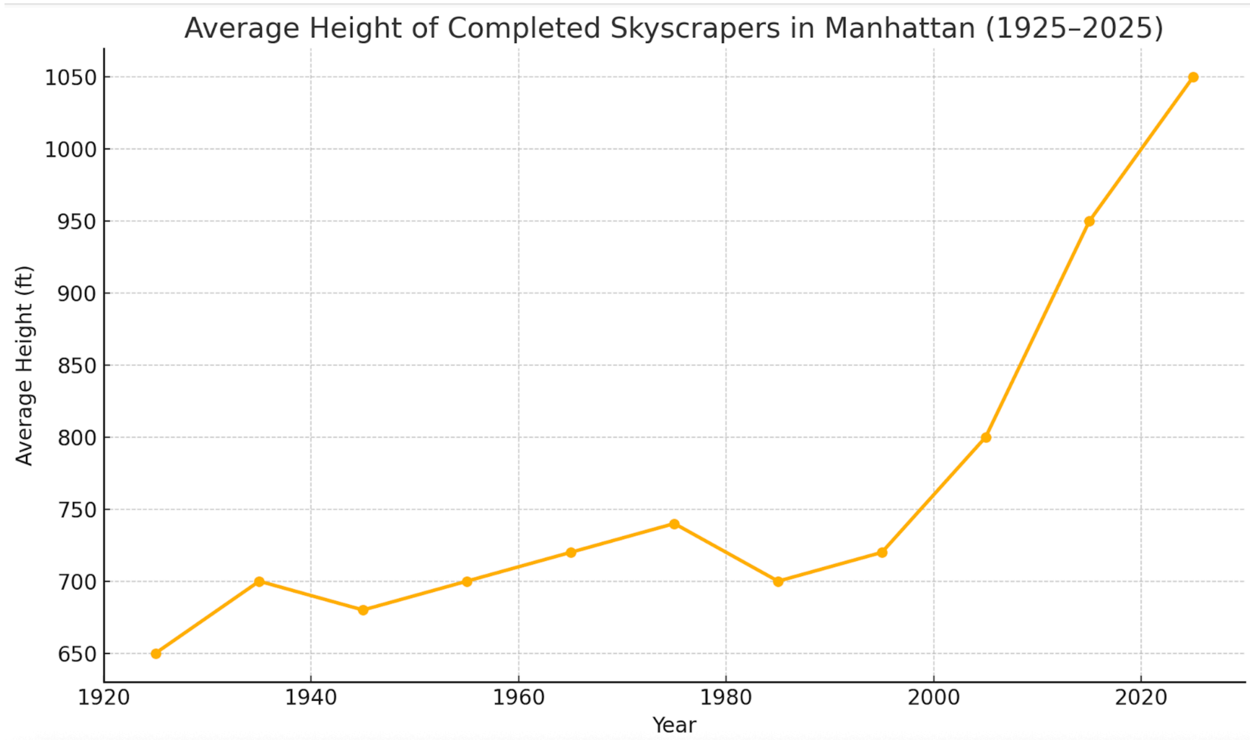
SkyTrade utilises non-fungible tokens to represent real-world assets, including air rights and rental income streams. This is applicable to both temporary and permanent ownership of income streams, enabling the development of a secondary market. As a result, an organic market develops, allowing speculators and participants in the ecosystem to buy and resell the following:

Air token: ownership of air rights above a parcel of land; minted by a landowner
Rental token: temporary license to use air space at some point in the future

These tokens serve as digital records of perfected real-world contracts, allowing users to speculate on the current or future value of the airspace market, potentially profiting from their foresight.

For example, a user may wish to buy an air rights token above a specific property in, say, New York, as continued upzoning and densification change the air rights values. These air rights become increasingly valuable over time, potentially leading to exponential growth for the holder of the air rights tokens.

Air rights are not just valuable for real estate developers, speculators and traders; they are also required to increase the densification, which is public policy. They are also used to protect views from various buildings to points of interest, such as the Empire State Building, the river, and other monuments, which in turn maintain highly prized asset values and lending ratios for multi-million-dollar buildings and their backers.



Air Rights have an asymmetric payoff and exponential growth opportunities. Air rights transactions resemble those of call options or warrants: limited downside, low capital exposure, and leveraged upside. Buyers of air rights are not acquiring physical structures or land, but rather the right to build or transfer unused potential. This optionality is valuable.

As an example, Hudson Yards, where the MTA monetized unused air rights, unlocked over $1 billion in future capital and enabled the construction of 4,000 new apartments across 16 buildings. The downside exposure for the purchaser was minimal: if the rights cannot be used or the project stalls, the assets' optionality timeline may lengthen, but the original value, if purchased at the right time, holds or increases in line with the market at the very least. The holder is not burdened with ongoing property taxes or maintenance costs associated with physical real estate.

This asymmetry is amplified by the lower capital outlay required for air rights compared to full property acquisition. Investors pay only for potential, not land, infrastructure, or improvements, which produces a naturally leveraged return as the value of air rights appreciates. Air rights function like warrants: a smaller up-front premium buys exposure to a potentially outsized upside.

Importantly, the appreciation curve for air rights is non-linear. In markets like Manhattan, where zoning caps and historic preservation limit buildable supply, air rights prices have shown exponential behaviour. Verified examples include air rights trading from $200 - 400 per square foot to $600+ in recent high-profile deals. Christ Church sold vertical development rights for $430/sq ft, monetizing airspace without giving up the land. Hudson Yards again serves as a case study of this growth curve, where air rights aggregation not only fueled vertical construction but also unlocked public value in the form of infrastructure and transit funding.

In contrast to the relatively linear, inflation-tracking appreciation of conventional real estate, air rights present a convex, asymmetric opportunity. For those seeking capital-efficient exposure to urban growth, air rights behave somewhat like options, with exponential payoff profiles. SkyTrade, as of writing, has in excess of $40M of air rights on its platform.

Another example would be a speculator who has digital access by using the SKY utility tokens can offer to buy the airspace rights using stablecoins or fiat for a proposed drone delivery route at today's prices and seek to monetize on the future traffic. Another participant with SKY utility tokens can access the platform and may purchase air rights over an area expected to have high drone traffic, such as where a large retailer regularly uses drones for deliveries.

SkyTrade creates a marketplace specifically designed to enable the transfer and resale of these tokens, while also tracking ownership or licensing rights across all users who have access to the platform using the SKY token. These tokens will be created according to the Solana Metaplex Token Metadata standard, with royalties, enabling them to be traded on other decentralized marketplaces, maintaining value to the SkyTrade ecosystem, and also allowing for eventual redemption on the SkyTrade platform.

Sources of Revenue

SkyTrade earn revenue from the following:

- **Air rights sales:** SkyTrade Platform earns a transaction fee of 10% of the sale value from each air rights sale that occurs on its platform. It also earns fees on the secondary market sales of air rights that occur on its marketplace or third-party or decentralized marketplaces.

- **Air rights rentals:** SkyTrade Platform earns a transaction fee of 30% of the sale value from air rights rentals that occur on its platform. This includes fees on the secondary market sales of air rights rentals that occur on its marketplace or third-party or decentralized marketplaces.
- **Data insights & APIs:** SkyTrade Platform will offer access to its database of information (properties, zoning, air rights, drone data, price sentiments etc.) for consumer products and logistics services and earn a licensing fee for doing so.
- **New Products:** SkyTrade Platform is developing products that can monetize air rights assets in new and valuable ways; from telecom cell towers for data to rooftop leases and beyond, these products will add additional revenue streams to the protocol.

Core Utilities of SKY

- Access Required: SKY is required to interact with the SkyTrade platform's Air Rights Marketplace (e.g., to list, bid, or claim air rights options or corridor access).
- Usage Metering: SKY is used to unlock access tiers for, token holders, including real estate and drone operators (e.g., data dashboards, API access, mapping tools).
- Service Activation: Certain premium services (e.g., dynamic corridor zoning tools, infrastructure APIs) are only available to SKY holders.
- Proposal Voting: SKY holders can vote on protocol-level upgrades, fee structures, and platform roadmaps.
- vSKY Voting Token: Users lock SKY to receive non-transferable vSKY, which determines their governance weight. Functional Staking (Work Token Design)
- Service Provider Eligibility: Roles like data curators, zone validators, or infrastructure operators are only available to users who stake SKY.
- Performance Bonding: Staked SKY can be forfeited (slashed) if a service provider misbehaves or fails quality checks, such as inaccurate airspace data or missed validations.
- Zoning Contribution: Property owners or verified planners may lock SKY to propose community airspace rules, with the platform verifying contributions. Access Tiers and Ecosystem Benefits
- Tiered Access: Holding SKY grants access to specific product tiers (e.g., higher capacity for listings, reserved auction slots, and analytics).
- API Credits: SKY can be burned or locked to access additional API usage or unlock zone simulation environments.
- Developer Enablement: Builders may be required to stake SKY to deploy integrations into the marketplace (e.g., vertical mapping tools or drone scheduling modules).
- A portion of the collected fees and revenue can be used to repurchase SKY tokens.

- Ambassador Requirements: Ambassadors may be required to stake SKY to maintain trusted status and access moderation tools for their region.
- Territory Zoning Participation: Access to manage "Hexes" (community zoning areas) requires active staking and governance participation.
- Proof of Contribution (Non-financial Emissions) Non-monetary Incentives: SKY is issued or unlocked to contributors who complete ecosystem-validating tasks, such as:
    - Verified uploads of telecom tower metadata
    - Accurate mapping of 3D geofences
    - On-chain participation in zoning proposals
    - Cross-validation of property ownership

Rewards are non-guaranteed, non-financial, and awarded via contribution-based proofs (e.g., Proof-of-Flight, Proof-of-Zone).

Token Sale

SkyTrade will create a fixed supply of 1,000,000,000 (1 billion) SKY tokens at the token generation event. No additional tokens will be created.

These tokens will be sold according to the following structure:
To be released

A token sale is a dynamic process. Please note that while SkyTrade makes every effort to update this document, the above is subject to change at any time, and this published version may have incorrect values. Please inquire with the team to confirm any figures.

Listing Metrics

FDV to be confirmed

SKY Token Distribution:

Tokens created by the contract will be distributed based on the following:
To be Issued

Disclaimer:

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