

Weblo's world: a crazy online economy

October 6, 2006 5:53 PM PDT

[Weblo](#) is an interesting online game that mirrors a few financial aspects of the real world. You can buy virtual real estate (like cities) and collect taxes on developments on your land. You can buy virtual properties on these virtual properties. You can set yourself up as the agent of the virtual version of a real-world celebrity. And you can buy .com domain names inside Weblo's universe.

You buy, of course, so you can sell later, hopefully at a nice multiple to what you paid. Why would somebody want to buy your properties to begin with? So he or she can sell it to the next person, of course. Weblo is a trading game, with a currency of real U.S. dollars. Fortunately prices for Weblo analogs of real-world items are not comparable. For example, I created a record for the CNET building and bought it for about \$1.50 (the price included a few pennies of tax, paid to the owner of San Francisco).

I said at the top of this post that Weblo is a game, because that's what it feels like to me. But others would consider it a market, and indeed you can make real money here. Some people, apparently, have bought properties at Weblo's startup prices and flipped them for thousands of dollars. You can cash out of Weblo whenever you want, and transfer your earnings into your PayPal account.

Because there is nearly a world full of untapped resources on Weblo right now, there's the potential for a real land-grab to start on the system. Un-purchased addresses (like CNET) are less than two bucks. I bought both Adak, Alaska, and Peterborough, New Hampshire, for \$5 each. I also tried to buy Alsace, in France, but Weblo figures the prices of states and cities by using an algorithm that incorporates real-world population. Alsace is priced at \$1568, well over the \$100 that the Weblo PR team fronted me.

If you own a Weblo property, like a building, a state, a site, or the rights to represent a celebrity, you can also develop it -- you can build a Weblo Web page to support it, drive traffic to it from your other Weblo pages or even the "real" Internet. Weblo runs advertising on every page and you'll get a cut of the ad revenues from your properties, as well as a percentage of all properties developed on your real estate (if you're the mayor of a city, you get a taste of all the revenues generated in it). How big a cut you get depends on which of the five Weblo membership levels you're signed up for.

Free accounts get 10% of revenues. Top-tier "VIP" accounts (\$30 a month) get 50%; paid accounts also pay less for unpurchased Weblo resources.

CEO Rocky Mirza has plans to introduce new resource types. He thinks fantasy sports teams and leagues would be a great fit for his world.

Unfortunately, right now the Weblo site itself is slow, which is not what you want in an online market. When there are fluctuating prices and real money on the line you really need instant response.

I poked around in Weblo and found it strangely rewarding to buy virtual real estate. I'm not holding my breath that I'm going to make any money on these purchases, though. Basically, I think the whole Weblo concept is insane. Mirza has invented an economy from whole cloth. Apparently that's not stopping commerce from occurring, although before investing real money in this economy, I'd want proof of that. And if people are indeed buying into Weblo, that makes Mirza brilliant, not crazy. But I don't know about the rest of us.

See also: [Red Herring's take on Weblo.](#)

Posted by [Rafe Needleman](#)