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Virtual Sydney owner says no sale

Mahesh Sharma | June 12, 2007

A MONTREAL microbiologist who paid \$US240 (\$285) for the virtual deed to Sydney believes his cyber real estate deal will pay off big time one day.



Montreal buyer Andy Johnson has already had offers for his virtual Sydney

Canadian Andy Johnson bought up Sydney, along with a host of other virtual properties, after hearing about about the online virtual world Weblo.com, which sells web portals based on real states, cities, buildings and even celebrities.

Punters pay to virtually "own" the properties, and site operators can generate revenue, or "taxes", on business activity such as advertising and traffic referrals that take place within their virtual terrain.

California was recently sold for \$US53,000, but analysts remain wary of the hype.

Jupiter Research media analyst Barry Parry recently told CNN that he couldn't understand the economics behind the business model.

"You can't value things simply on the ability to sell them to someone else," Mr Parry said.

"I don't know what's going to drive the audience. It doesn't feel like a sustainable business."

Mr Johnson has already earned \$US1600 profit by flipping properties from his initial \$US3500 outlay, and was unfazed by the criticism.

"I would say that that particular analyst lacks vision and probably doesn't fully understand how the new web 2.0 companies function," Mr Johnson said.

"Selling properties is a part of Weblo, but the real payoff will come from advertising and deals made with marketing firms.

"If your site has relevant, and possibly entertaining, content it will attract visitors and people will want to advertise or be involved in your site."

The portal operators upload news and information to the virtual sites in the hope of attracting as many visitors as possible to generate revenue. Despite only generating \$US120 in ad revenue so far, Mr Johnson is confident in his future prospects.

"When you look at the ad revenue coming in based on hits, that has been increasing threefold every month since the beginning, and it hasn't even been a year yet."

"People have offered me \$US500 to \$US600 for Sydney but I'm not willing to sell for that amount.

"I believe, in the future, that these cities are going to be worth several thousand dollars."

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