

SEVEN MILE BLOG

From Domains to Virtual Communities...

http://www.naplesnews.com/news/2007/may/19/online_game_offers_virtual_ownership_real_money/?breaking_news



I was stumbling around some domain related news stories when I came to this tidbit in the Naples Daily News (Naples, FL). My colleague Rick Schwartz aka [DomainKing](#) has diversified into purchasing some virtual real estate in online community [Weblo](#) (similar concept to [SecondLife](#)). Rick went ahead and bought the entire state of Florida the day Weblo opened.

Quote: *"Virtual mayors or governors get fees whenever purchases are made in their cities and states. Mayors collect 5 cents for every \$10 spent in their city, while governors get 25 cents for every \$100 spent in their state. Earnings are paid out monthly. Though he hasn't developed his sites yet, Schwartz has earned \$500 on all his properties. He estimates he's invested \$50,000. "Florida and California are probably my biggest holdings," he said. ... To make money, you've got to take risks, he said. If you're scared to lose money, you'll never make a lot of money," Schwartz said. "Most people don't lose enough to win enough."*



Well said sir. I have to say, it's funny when I watch people's reactions to the amount of money folks have made in the domain-name industry. Some are enthralled by the returns, others view the entire affair with disdain. Unlike Weblo, the domain industry is no game. What many folks fail to realize (and what Rick's related quote above illustrates) is that the returns are the reward for taking incredible risks during a time of great uncertainty. Today things look much less uncertain.. hence the diminished returns. Still, the untapped latent value of domain names in 2007 -- the returns remaining to be realized are much greater than traditional investments which themselves carry different degrees of risk.

Good luck with your new investments Rick! Hope they pay off like domains did.

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