

Metaverse Monthly Report

July 2022

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Highlights

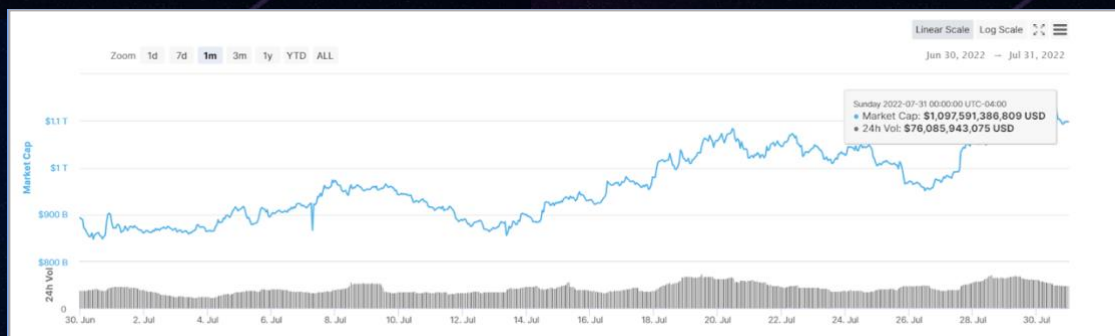
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Highlights

- ETH rises on news of coming “Merge” as crypto climbs back above \$1 trillion
- Metaverse lands totally outshine the greater NFT market, amid more positive signs of recovery
- The Sandbox flips Decentraland’s land market cap, as Otherside launches its first tech demo
- NFT Worlds receives a bombshell and forced into a huge pivot after Minecraft bans blockchain
- Employees undergo a technological and cultural shift as companies and employees enter the Metaverse in our Special Monthly Topic

Industry Market Overview

- Crypto market capitalization rebounds 23% from May-June crash to back above \$1 trillion



Major cryptocurrencies bounced back from the crash of May and June with trading volumes and prices both up significantly, especially toward the end of the month. Total market capitalization rose 23.2% from \$891 billion to \$1.098 trillion. Double-digit rallies were the norm in July, with ETH leading the charge, up 54.3%, while Bitcoin increased 15.1%, Solana 23.9% and Polkadot 22.3%.

Ethereum’s impressive comeback followed an announcement of September 19 as a projected date for the long-awaited “Merge” that will witness it switch from proof-

of-work (PoW) to proof-of-stake (PoS), slashing gas fees and, according to Ethereum, reducing the chain's energy consumption by 99.95%.

ETH's second upsurge occurred once the US Federal Reserve raised rates 75bp for the second consecutive month on July 27. Mixed messages from the Fed, alongside broad sentiment that 150bp will do little, if anything, to tackle the real source of inflation, the unprecedented "money printing" of the Covid era, was likely a major impetus. Indeed, the rate hike did nothing to stop the most traditional of risk assets, precious metals, from their ascent, as gold and silver enjoyed their biggest rallies since March in what may turn out to be a telling sign for the entire global economy.

Polygon's MATIC token was the July standout, soaring 90.7% on news of a team-up with Disney and a new zero-knowledge Ethereum Virtual Machine (ZkEVM). Meanwhile, Uniswap posted its best monthly result in a year, up 67%, pumping on news of the 'Merge' (certain to fuel more transactions on the decentralized exchange), but also a governance proposal to grant UNI holders the right to earn commission on trading fees.

In other news, Coinbase is under investigation by the S.E.C. for listing tokens they say are securities while Cathie Wood's ARK sold \$75m of its shares, Celsius Network filed for bankruptcy and Elon Musk announced Tesla would part with 75% of its Bitcoin. None of this dented renewed enthusiasm amongst crypto heads, as BTC finally surpassed much-talked of resistance levels of \$24,000 on July 31, before closing the day out at \$23,386.

The NFT & Metaverse Markets

NFTs

- NFT sales numbers steady, but only as prices and volumes valued in USD continue to get smashed



July was another trying month for the NFT market following a 72% tanking in June, with further retractions in price and USD volumes (though not necessarily ETH). This time, total sales across all chains fell 26.4% to end the month at \$647 million, a mere 13.5% of its January ATH. Sales on Ethereum fell 26%, BSC just 3.8%, Solana 38% and Polygon 60%. Meanwhile, number 1 NFT marketplace OpenSea suffered a further decline in sales volume.

Total buyers declined 7.3% compared to a 1.8% drop in sellers, as sellers flipped buyers for the first time since June 2021, indicating a testing period for the global NFT market. In trying economic times, it shows that even in risk-asset categories like crypto, investors tend to allocate funds in more traditional sub-categories, i.e. cryptocurrencies, not NFTs.

Ethereum was the best performer (with the exception of less known chains Ronin, Panini and OKC). Total transactions rose 11% to 1.167m, while the ratio of (more) buyers to (less) sellers, and numbers of unique traders, remained steady.

Total transactions were also up, significantly, by 28% on Polygon, reflecting some positive data coming out of the Layer 2 solution that is now helping to power Decentraland, The Sandbox and a host of other metaverse and P2E projects. Though the price of its MATIC token outperformed, its average NFT price crumbled 68% to \$5.88, after its 90% collapse in June. Compare that to the average price of an NFT on Polygon in May 2021 of \$1,009.

Prices of NFTs in USD were significantly down across almost all chains. BSC was a rare exception, its average NFT price falling by the tiniest of margins (-0.66%). Elsewhere, the average price of a Solana NFT fell 38%.

The Metaverse

- Metaverse land NFTs bear extremely well, albeit with some calamities along the way - NFT Worlds hits an obstacle, and Decentraland continues its slide

	Sales		Avg. Price (ETH)		Volume (ETH)		Market Cap (ETH)	
The Sandbox	782	-43.6%	2.28	+22.8%	1783	-30.7%	236,662	+11.3%
Decentraland	103	-64.1%	2.54	-44.4%	261	-80.1%	199,707	-39.5%
Voxels	82	-22.6%	0.88	-28.2%	72	-44.6%	17,078	-3.2%
Somnium Space	33	+50.0%	2.05	+25.3%	68	+88.9%	13,612	+7.0%
Worldwide Webb	286	-25.9%	0.62	-12.6%	177	-35.4%	13,165	-5.1%
NFTWorlds	967	+298%	1.43	-64.7%	1382	+40.1%	42,640	-18.8%
Otherside	2596	-44.7%	5.15	+21.9%	13,368	-32.5%	532,791	+0.17%

The aggregate monthly land cap of all 7 metaverse projects listed on OneLand (Decentraland, NFT Worlds, Otherside, Somnium Space, The Sandbox, Voxels and Worldwide Webb) fell 9.9% to end July at 1.056m ETH, or \$1.281m. Compare this and last month's 15.5% retraction with the greater NFT market equivalents of 26.4% and 72%, and the disparity in monthly performance becomes abundantly clear.

Given the downward movements in both the crypto and non-land NFT space, land NFTs overall continue to fare very well, especially considering how far Decentraland (which once occupied the largest land cap of all metaverses) has fallen this bear market, sitting in a clear third position behind Otherside and, now, The Sandbox too.

Zooming in, results were mixed across the board, with Decentraland continuing to suffer serious effects from the bear market, while NFT Worlds endured a nasty end to the month after Microsoft issued a ban on all blockchain tech on Minecraft. Yet a quick look at the data shows how well both The Sandbox and Otherside are bearing the "crypto winter", with land caps and average prices well up on June regardless of sizable dips in sales (40+%) and volumes (30+%). The Sandbox, ever eventful and full of life, enjoyed its second consecutive month of land cap recovery.

Meanwhile, the monthly upsurge in the price of ETH offered solid support for a hopeful swing back to the upside. While too early to tell whether this points to a positive recovery overall, for those in the NFT and virtual worlds space, the signs seem to conclude that Metaverse lands are a safe place to park your ETH for now. Indeed, the Metaverse Index also moved up (19%) in July to end the month at \$44, after hitting near all-time lows in June, and in a first monthly rise since October 2021.

Metaverse Tokens

#SAND	\$1.35	+ 28.57%
#MANA	\$1.02	+ 17.24%
#CUBE	\$1.54	+ 6.21%
#WRLD	\$0.017	- 43.33%
#ETH	\$1705.47	+ 54.3%

Special Monthly Topic: The Future of Work & Employee Interaction in the Metaverse

In a June 2022 [report](#), consulting firm McKinsey & Co. forecast the Metaverse to achieve revenues of \$5 trillion by 2030, which is about the size of Japan's GDP. It even broke down this figure by industry, with e-commerce drowning out the pack with an estimated market impact of \$2 - 2.6 trillion. While growth of the Metaverse has been concentrated in the gaming space till now, Covid years have seen companies worldwide undergo an increasing shift of their business and organizational interaction away from the physical and into virtual worlds.

The number of companies working in the metaverse grew from 200 to 500 in the past year, according to a June 2022 [report](#) from Newzoo. They include small start-ups and Fortune 500 companies. Brands such as Nike, Puma, Balenciaga and Dolce Gabbana turn products into NFTs, while extending the possibilities for customer service; others use it to provide engaging spaces for remote work and virtual meetings.

In the meantime, a multitude of young Web3 start-ups are creating opportunities for companies to extend their marketing reach in the new digital world. One young start-up out of Georgia, [Metaviu](#), for instance, mints NFT billboards to advertise on virtual lands, while leveraging their advertising experience in the real world to bring IRL clientele into the Metaverse. Another, out of India, [COMEARTH](#), is building the world's first Web3 virtual e-commerce marketplace.



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**Virtual Workspaces:
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Bye bye, Amazon! [COMEARTH](#) is bringing e-commerce to the Metaverse.

Global consulting firm Accenture can bring hundreds of thousands of people together across continents without them having to travel to a regional HQ to watch a presentation of a CEO or sign HR paperwork. Instead, they do it virtually from the comfort of their home or office. Accenture, in fact, operates its own metaverse called the Nth Floor, where it hosts new hire orientation, immersive training and community building. By the end of this year, the company says it expects at least 150,000 new hires to spend their first day working in the Metaverse.

The Metaverse is already transforming the working culture of Accenture and other consulting firms. Just this month, KMPG launched a metaverse collaboration hub for staff and clients to connect and discover opportunities for growth across industries and sectors.



Accenture employees in avatar form network in a socialization hub on the Nth Floor

The Metaverse is now firmly on the roadmap of governments too. South Korea, one of the first to fund development in the virtual world, announced plans in May to invest \$177m in businesses and jobs in the Metaverse.

South Korean firms catching the wave include Dunamu, which recently invested \$380m to create 10,000 jobs in the space, and KEB Hana Bank, who teamed up with The Sandbox July 11 to open a virtual branch. Meanwhile, start-up Zigbang has begun leasing virtual working spaces in its Soma metaverse. In Soma, employees can

log in from any city or country, work with their colleagues in a virtual office, or hang out in the networking lounge to mingle with virtual avatars from other companies.

Dubai, home to almost 1,000 blockchain companies together representing \$500m, announced plans in July to quintuple this number and create 40,000 virtual jobs, while Spain's government also decided to issue \$4m in grants to metaverse projects. Meanwhile, other countries tied to virtual world tech continue to tighten regulations, as shown by reports mid-July of a shutdown of Tencent's NFT marketplace under pressure of a Chinese government ban on secondary digital collectible markets.

This raises the question of whether, and which, markets will benefit from the Metaverse in the form of virtual job opportunities that might improve citizens' quality of life without the need to migrate abroad. While several countries - for instance Bangladesh, Bolivia, Macedonia and Nepal - have outright banned cryptocurrencies, plenty more - such as Colombia, Georgia, Iceland or Montenegro - are gradually revealing themselves on the Web3 map.

In a July 22 article, AI, big data & analytics publication Analytics Insight listed the top 10 countries to work in the Metaverse. In reality, **Web3 and the Metaverse continue to break down national borders in the workplace**, even as some governments may move in the opposite direction. The average metaverse project now consists of team members (and partners) scattered across the globe, with English and UTC the standards for managing communications and scheduling in the world of Web3.

Though the bear market has forced budget cuts and staff layoffs for many virtual world and NFT projects too (the Voxels metaverse and OpenSea are but two examples), **Web3 remains a very fertile ground for job hunting, and new and exciting career paths** - take, just for example, job opportunities listed on The Sandbox, Worldwide Webb and Accenture, or Web3 job boards offering jobs in the Metaverse.

How important a part will the Metaverse play in your job or career? Will you join pioneers like OneLand who have entered the space early to contribute to its development?

Metaverse Projects

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Decentraland

Decentraland continued its downward slide through the bear market. Though it has not been a straight ride down, there has been a particular tumbling from June onwards in land market cap, trading volume, sales numbers and average price. July looked particularly bad with volumes sinking another 80% and land cap falling near 40% to below 200k ETH for the first time since anyone can remember.

As we reported in our [July 25-31 weekly wrap-up](#), average land prices of Decentraland and The Sandbox converged last week. Indeed, it is the very decentralized nature of Decentraland - lacking the vast injection of funds enjoyed by less decentralized projects for a metaverse of its magnitude - that has seen its economy take a battering of late, although still able to exert all of its organic vitality. July was no different to any other month, a jam-packed calendar of events keeping the community upbeat and busy, even while some so-called hodlers, likely with little engagement in the ecosystem, pulled out.

Which is why landholder stats remains the shining light amidst all the bad economic data, which should convince many there is huge upside long-term for the project, and that Decentraland is not just another MySpace.



Holder Trends (Y) - Decentraland

Holder Trends (M) - Decentraland

The Sandbox

The Sandbox's ability to pump out new partnerships on a daily basis is fast becoming something of legend. In July this included team-ups with Digital Hollywood, Playboy and skateboard legend Tony Hawk. In the meantime, it also picked up Binance's 2022 Launchpad Project of the Year award, while releasing a trailer for its impending Alpha Season 3.

The Sandbox continues to generate massive impact, as its marketing team pump out a constant barrage of tweets and promo videos with catchy music that push all the mints, gaming contests and partnerships. It is such firepower, but by no means that alone, that helped see its average price pump 23% in July and land cap rise a solid 11.3% despite sinking sales numbers (-43.6%).

To cap it off, The Sandbox flipped Decentraland in overall land market cap in July, a sure symbol of massive things to come. It follows a meteoric YoY rise of 380% that happened despite an almost 50% drop from February to May.



The Sandbox's land cap flipped Decentraland in July as land prices converged.

Otherside

You would bet that die-hard Ethereum maximalists with their feet in the Metaverse are seeing visions of their own future flipping, if it wasn't for Otherside, that is, and how it flipped them all in one fell swoop in May.

Though the only real 'product' Yuga Labs' star project has shown to date include a brilliant website, bunch of awesome concepts, graphics and next-level video trailers, they hit a new level in July with the first tech demo for Otherside, proving their ability to handle huge numbers of concurrent players in one virtual space. The successful

demo was widely applauded by the 4,500 Otherdeed holders taking part and watchers-on alike, and went off a lot better tech-wise than did its historic mint.

Data for the month reflects [The Sandbox](#), albeit with any increase in land cap an unlikely scenario right now for the meta-juggernaut which still holds over half of [OneLand](#)'s entire aggregate land cap. Sales, down 44.7%, and volumes, down 32.5%, reflected the overall market, but average land prices recovered to surpass 5 ETH as another top sale of [154.46 ETH](#) helped bring them back on track.

NFT Worlds

On July 20, the NFT community was dealt a shock as Mojang Studios (owned by Microsoft) [announced](#) a ban on all blockchain technology, including NFTs, in its Minecraft gaming ecosystem. Mojang took the high ground, citing inequality between the “haves and have-nots”, and claiming protection of the rights of pure gamers. While it came as irony to many in the Web3 space, it proved a bombshell for the 10-month old project built on the Polygon chain. [NFT Worlds](#)' apparent masterstroke of offering an ecosystem of 10,000 player-built worlds on 3rd-party Minecraft servers, thus opening the quick-and-easy option of P2E to a 140-million strong player community, appeared dead.

Traders rushed to sell, while whales and risk-takers gradually took hold. Prices tumbled, volumes soared. The floor price actually descended to as low as 0.63 ETH (\$963) within 24 hours of the announcement - staggering, when you consider that the average price of one NFT World hit 8.71 ETH (\$19,558) in May. By Sunday night, weekly volumes of traded Worlds had skyrocketed 855% and its sales count 2,631% compared to the previous week.

[NFT Worlds](#) issued its response three days later, announcing [plans](#) for a new game and platform. Then on July 30, it released a new tokenomics paper [\\$WRLD 2.0](#) offering a rebalancing of its P2E allocations and staking rewards. This cooled things somewhat, [NFT Worlds](#) ending July with month-on-month sales up 298%, volume up 40% and the average price of a World down 64.7%.

Somnium Space

[Somnium Space](#) had a successful July, with all key metrics to the upside, notably a 7% recovery in overall land cap, as well as upticks in trading volume (+89%), average

land price (+25%) and overall holder base (+2%). For a smallholder community like Somnium Space, upward movement like this amid an economic downturn is a powerful indicator of community-held belief in a project.

As always, it offered its unique and eclectic mix of VR-inspired events, which included a partnership with a presidential candidate (who promotes a new and revolutionary voting system) and an immersive Shark Tank meets Late Night Show in which Somnium's creator-collective pitched their ideas in VR to a jury with representatives from Gemini, Polygon, MOCA and ISG. In 2021, Somnium Space contributed \$60,000 in funds to new projects, however this year by partnering up with companies and individuals, the figure was a full \$1m.

Meanwhile, July also witnessed the very public avatar, namely founder Artur Sychov himself, teleporting his digital self from the virtual back into the physical world - we believe this is meant to be confusing and shows just how next-level and futuristic Somnium Space truly is.

Voxels

Alongside Decentraland, we would probably place Voxels as one of the more down-to-earth, bottom-up and community-driven metaverse projects. Which is why it is not surprising, given its much smaller size, that it has made the decision to take a step back. On July 21, Voxels announced not just a staff layoff, but a pause on all new land mints and product features, in order to solidify its core product in preparation for better days.

But slowing down does not mean stopping. Voxels continues to list LANDs on its marketplace, while founder Chris Nolan is a constant on Twitter sharing all the latest inspiration while collecting feedback from the strong and resistant community.

Worldwide Webb

By all reports, Worldwide Webb spent most of the month with their heads down working on the product. Recent months have witnessed a gradual decline in the number of activities in the metaverse, as the project continues to suffer from the general market downturn and dwindling enthusiasm to buy lands. Though the metrics, notably market cap (-5.1%) and unique holder numbers (-0.8%), continued their downward trend, the data visualization shows a leveling out that offers hope of

renewed belief in the project.



Worldwide Webb's losses born in the bear market begin to level out.

Nevertheless, the team got together to host a Merch Challenge on July 12 with the aim of reimbursing "people who create cool things". The Merch Challenge aroused people's dusty enthusiasm, Worldwide Webb enjoying its largest daily sales counts of 33 and 35 as the event rolled on. But it is also worth noting, Worldwide Webb is taking advantage of the bear market to recruit troops. It seems that in the downturn of the market, recuperation is the coping strategy of Worldwide Webb.

Final Conclusions

- Metaverse land performance completely outshine the greater NFT market, buoyed by the rise of ETH and other cryptocurrencies
- The Sandbox flips Decentraland in land cap as average land prices converge, Somnium Space shines while Voxels lays low
- Companies flock to the Metaverse, with signs of a virtual shift occurring in business, workers' jobs & careers, and their interaction with colleagues and clientele

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