
ESCROW.COM INTERNET DOMAIN INDEX Q1 2019

The leading report for factors
influencing current domain prices

Escrow.com Domain Investment Index: Q1, 2019

For the quarter ending 31 March 2019

Executive Summary

The *Escrow.com Domain Investment Index for Q1 2019* provides insight into the domain name market for the 2019 December quarter as compared to previous quarters.

The latest data from Escrow.com, the world's largest online escrow provider for internet domain names and a range of other items, reveals a variety of factors influence the value of domain names. In particular, the value of domain names with existing content has hit an all-time high over the quarter.

A desirable address continues to influence the price for domains, showing parallels between this virtual real estate and physical real estate markets. Domain names with two and three characters remain more valuable than their longer counterparts.

Meanwhile, global demand for domain names has seen shifts. While the United States still leads the way in total transaction value, Canada and Hong Kong have seen strong increases.

Domain name transaction value rises surges after dip

In the three months ending March 2019, the total value of domain name transactions facilitated by Escrow.com saw an uplift from the fourth quarter. Total transaction value also had a strong increase compared to the corresponding quarter in 2017. As exhibited in **Figure 3.0**, the total value of domain names transacted on [Escrow.com](https://www.escrow.com) in the first quarter of 2019 exceeded US\$85 million.

Total Transacted Domain Name Amount

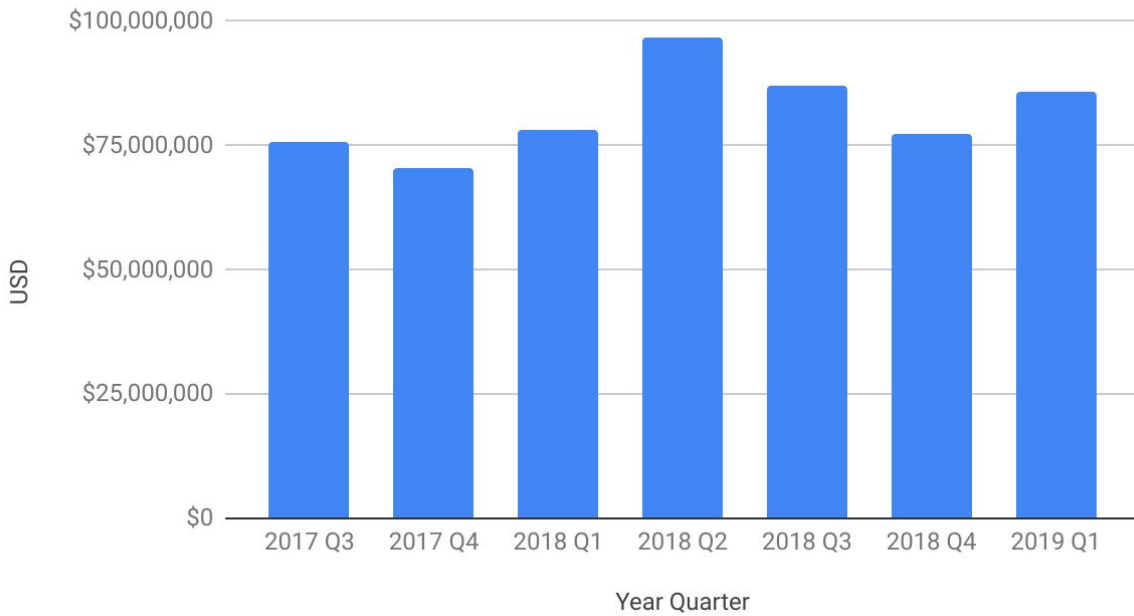


Figure 3.0: Total transacted domain name value in US Dollars for the three months ending March 2019. Source: Data acquired from Escrow.com.

The first quarter represented a rally for total transacted domain name value, but fell short of the Q2 2018 peak during which total transacted value hit nearly US\$97 million.

On a median year-on-year price return basis, Q1 fell from the corresponding quarter in 2018, as can be seen in **Figure 3.1**. However, Q1 price return was up sharply on Q4 2018, as illustrated in **Figure 3.2**.

Domain Name Median Price YoY Q1 Return Rate

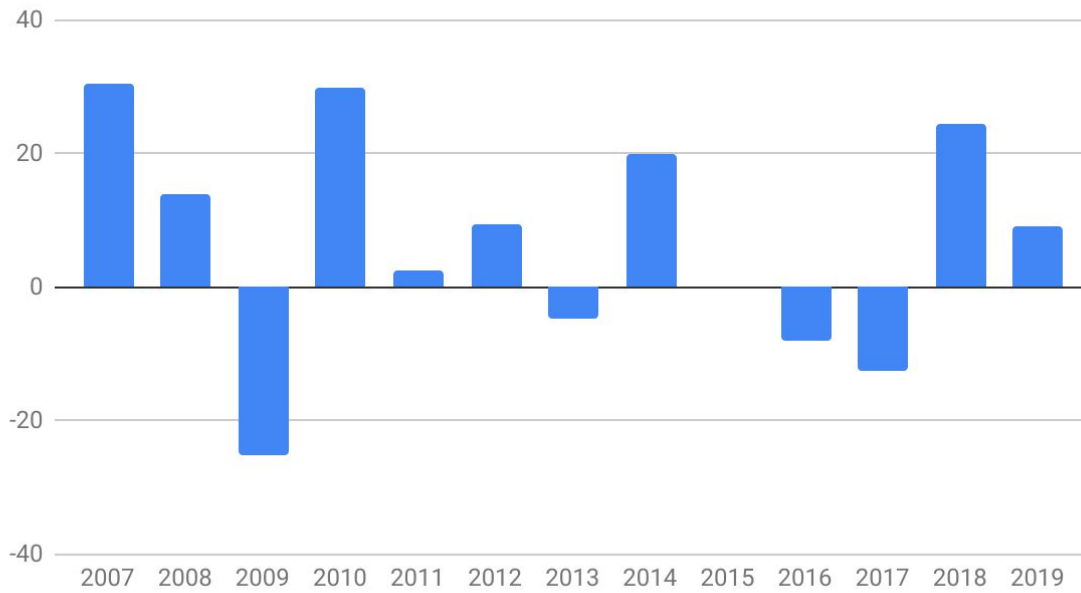


Figure 3.1: Domain name median price return rate for the three months ending March 2019, compared to the corresponding quarter over the past 12 years. Source: Data acquired from Escrow.com. (Note - no visible bar graph represents a 0% year-on-year change, data based on price changes only and does not include holding costs)

Domain Median Price Return (%) vs Quarter

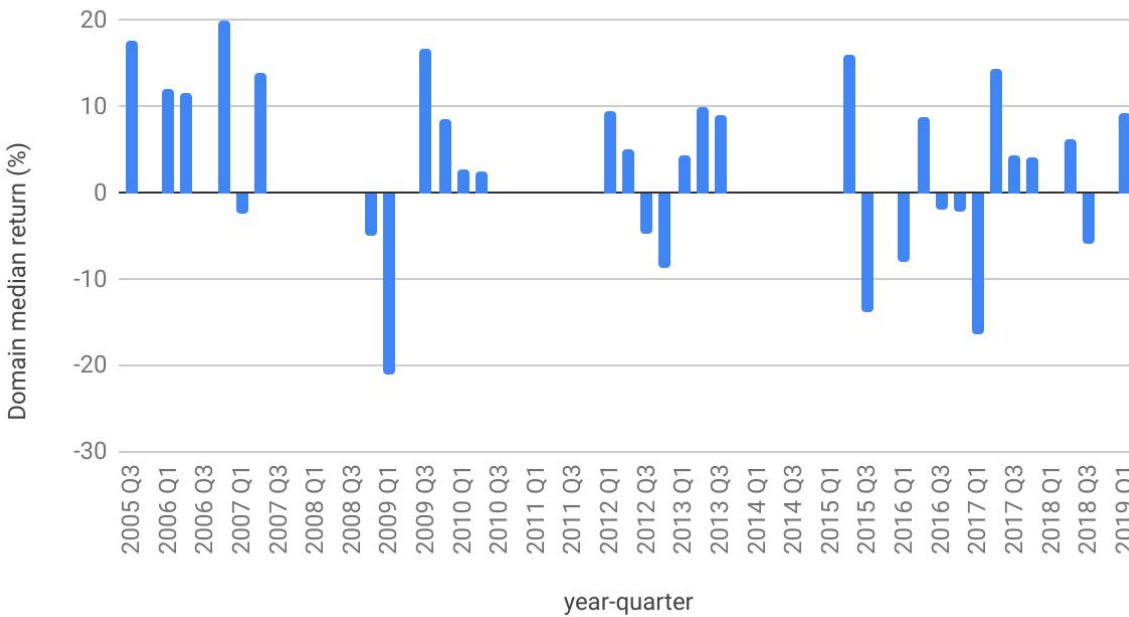


Figure 3.2: Domain name median price return rate for the three months ending March 2019, compared to the corresponding quarter over the past 13 years. Source: Data acquired from

Escrow.com. (Note - no visible bar graph represents a 0% quarter-by-quarter change, data based on price changes only and does not include holding costs)

US leads the pack

The United States once again led the way for total domain name transaction value; however, of the top 5 regions, both Canada and Hong Kong saw a surge in transaction value from Q4. (Figure 3.3).

Total Transaction Value in Top 5 Regions Quarterly Graph

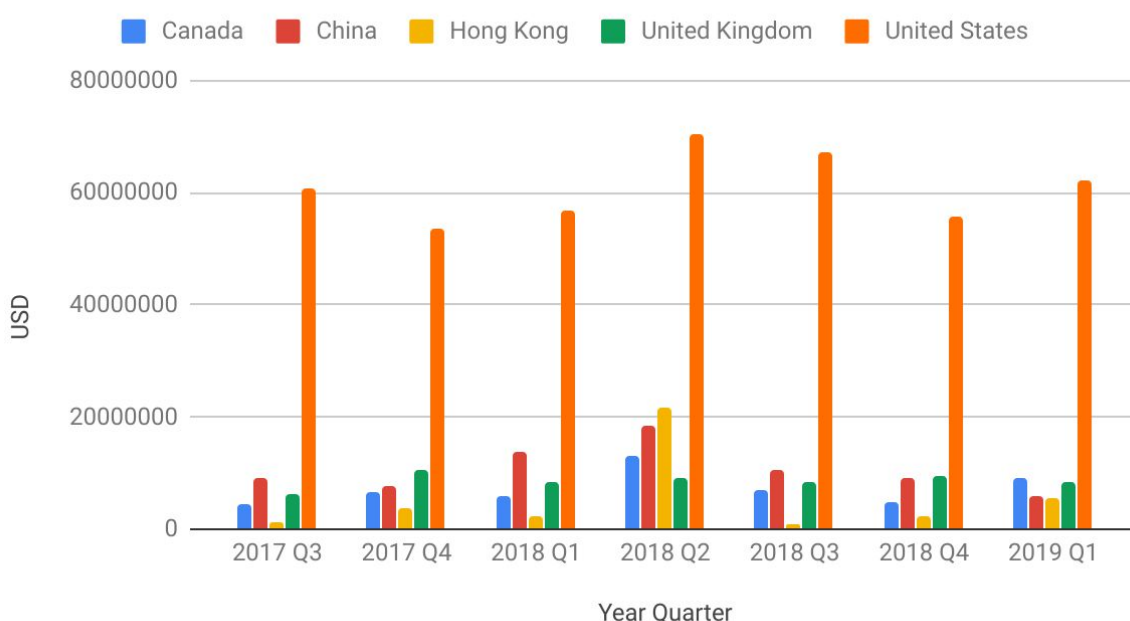


Figure 3.3: Total transacted domain name value in US Dollars of the top five transacting regions for the three months ending March 2019, compared to the prior six quarters. Source: Data acquired from Escrow.com.

Total domain name transacted value in the US rose strongly in Q1, up from US\$55.6 million in Q4 2018 to US\$62 million. The result was below 2018's Q2 peak of nearly US\$70.3 million.

Canada overtook the United Kingdom as the next largest region for total domain name transacted value, rising to US\$9.16 million versus the United Kingdom's \$8.58 million.

China continued its decline following its peak in Q2 2018 of around US\$18.4 million in total transaction value. In Q1 2019, by comparison, the country saw US\$5.8 million in total transaction value.

Value of content hits new high

The median price of domains with content continued to outstrip that of those without content, and skyrocketed in Q1 2019 to a historical high of US\$9,800 compared to US\$4,800 the previous quarter. Domain names without content, meanwhile, remained flat with a median price of US\$2,500. This median price has now remained unchanged for six consecutive quarters.

Domain name with or without content median price graph

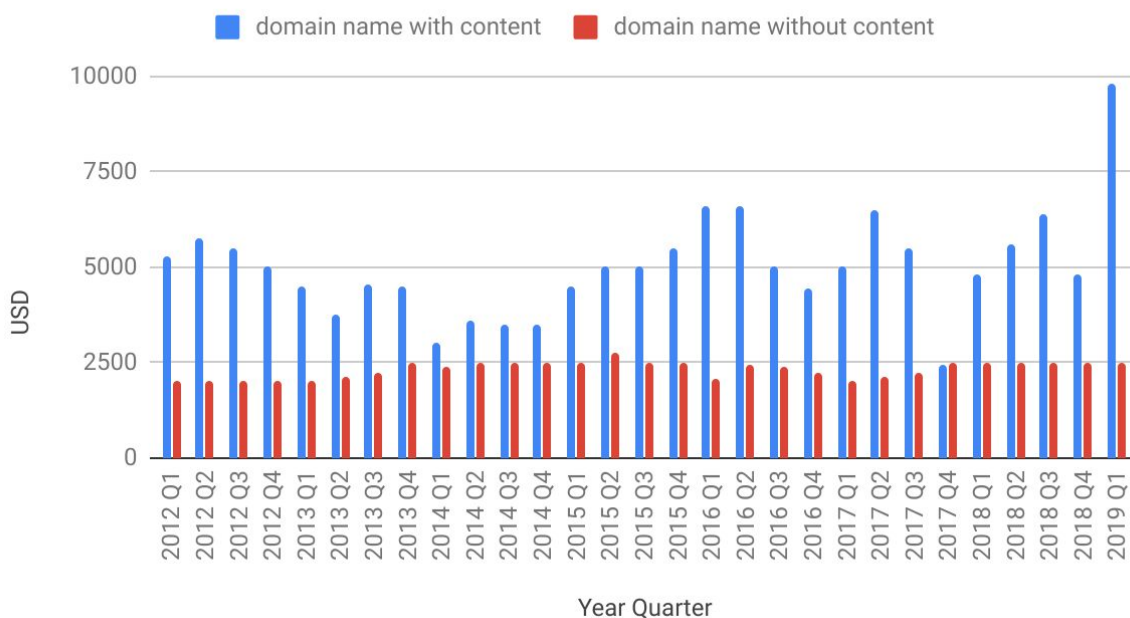


Figure 3.4: Quarterly domain name median price in US Dollars for domains with and without content, compared to previous quarters over the past six years. Source: Data acquired from Escrow.com.

The sum total value of domains without content continues to far surpass those with content, suggesting a much higher overall volume. As illustrated in **Figure 3.5**, the total value of domain names without content in Q1 2019 rose to US\$54.8 million, up from US\$45 million in Q4 2018.

However, the sum total value of domains with content followed the trend of median prices for those domains, more than doubling from US\$7.1 million in Q4 2018 to US\$15.2 million in Q1 2019.

Domain Name with Content VS Domain Name without Content

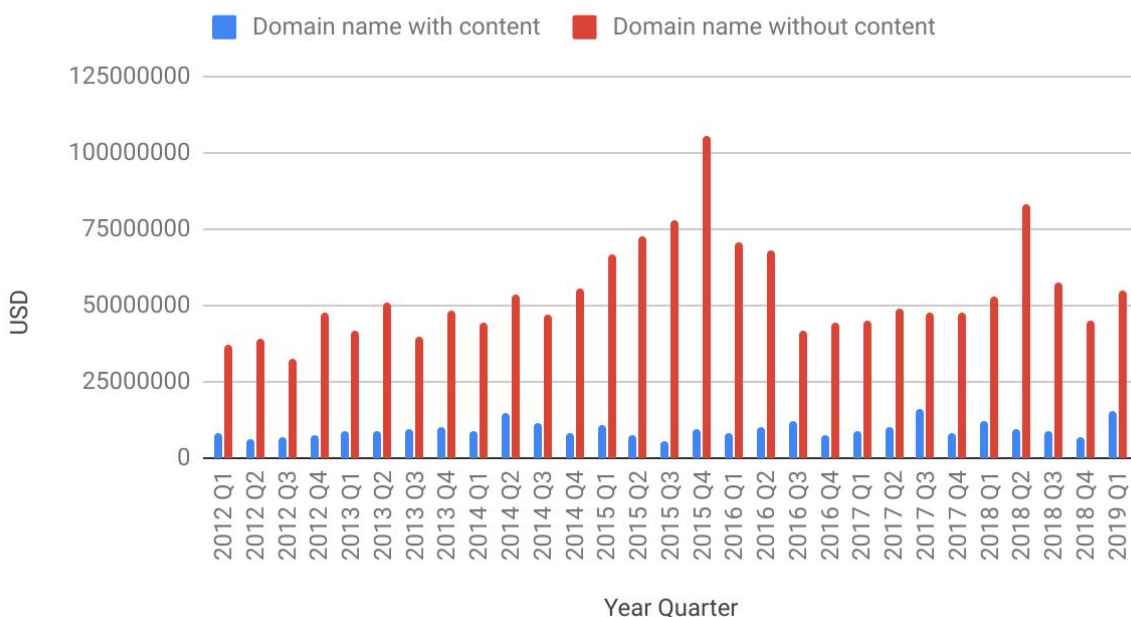


Figure 3.5: Quarterly sum total in US Dollars of transactions for domains with and without content, compared to previous quarters over the past six years. Note: Data acquired from Escrow.com.

Number of characters a major differentiator

Figures 3.6 through 4.4 illustrate the ongoing trends in the value attached to domain names with a certain number of characters, numbers and letters. Figure 3.6 shows sharp decline in Q1 2019 following a major fourth quarter spike for two and three-character domains. Meanwhile, four-character domains grew strongly in value, while the median price for five- and six-character domains tapered off.

2/3 Character.com Domain Name Median Price Quarterly Graph

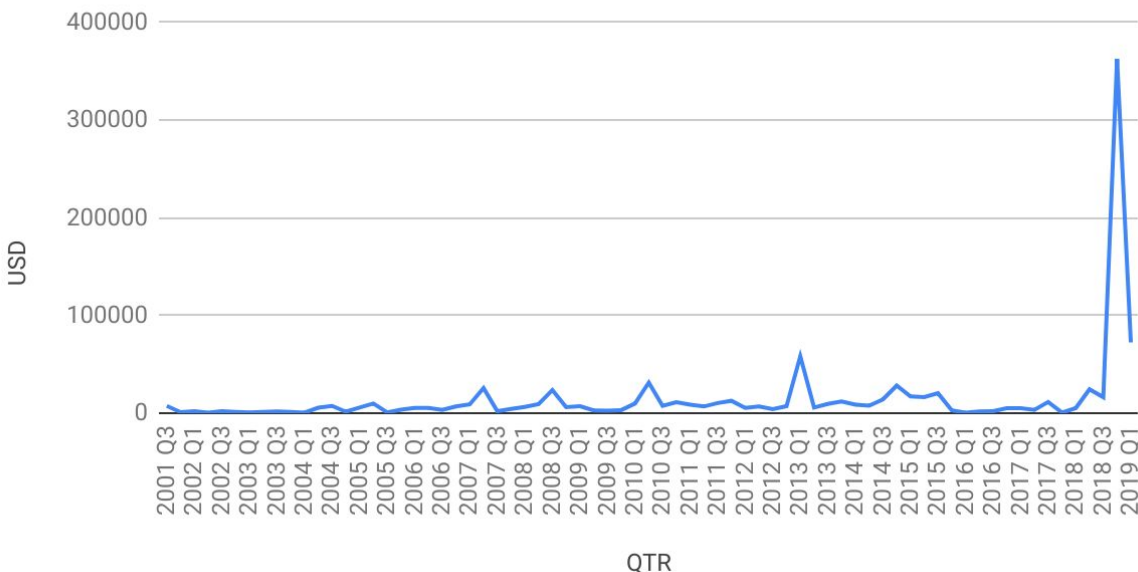


Figure 3.6: Domain name median price in US Dollars for domain names with two and three characters in the three months ending March 2019, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.

Figures 3.7, 3.8 and 3.9

4 Character.com Domain Name Median Price Quarterly Graph

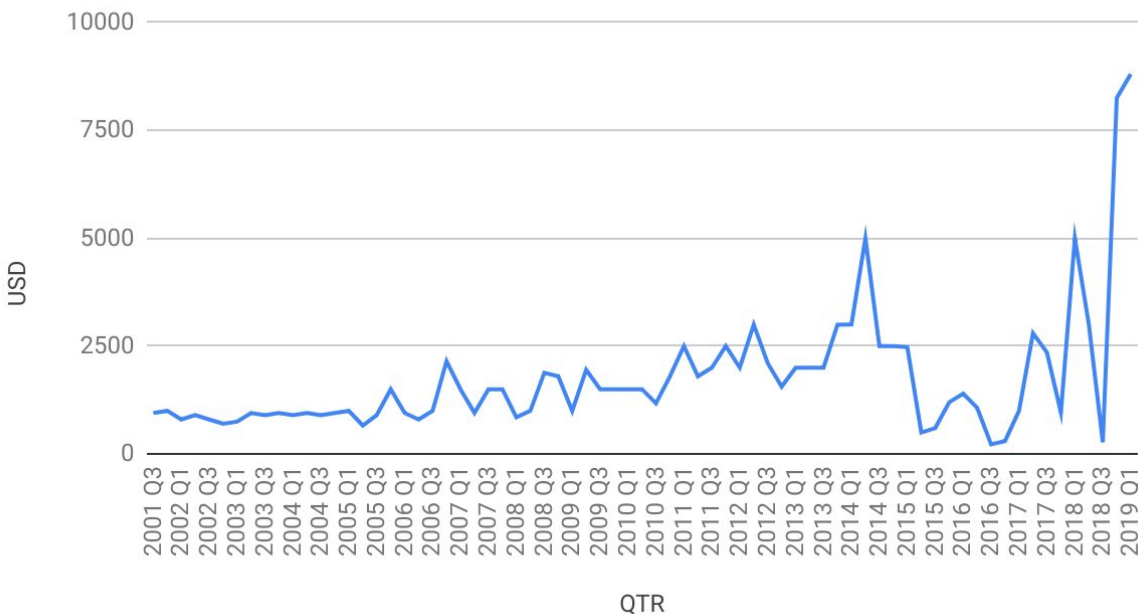


Figure 3.7: Domain name median price in US Dollars for domain names with four characters in the three months ending March 2019, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.

5 Character.com Domain Name Median Price Quarterly Graph

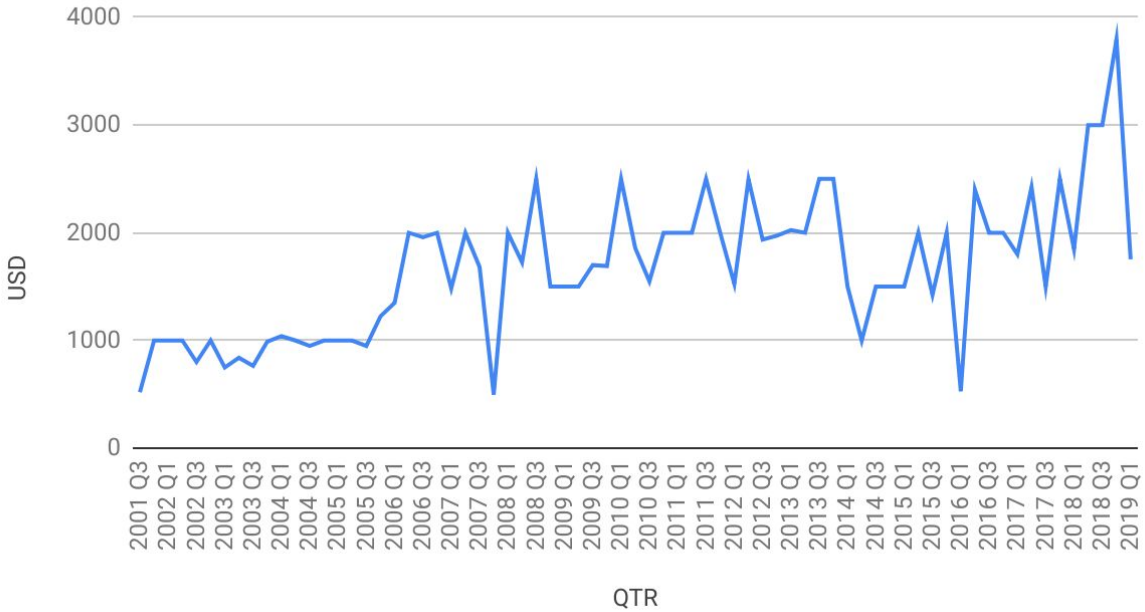


Figure 3.8 - Domain name median price in US Dollars for domain names with five characters in the three months ending March 2019, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.

6 Character.com Domain Name Median Price Quarterly Graph

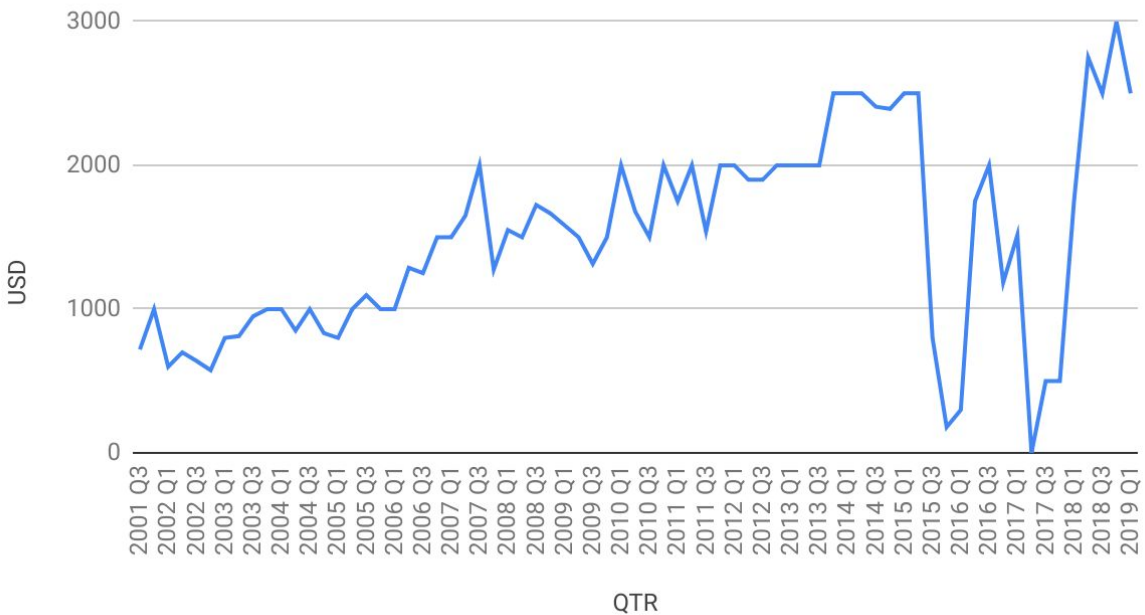


Figure 3.9: Domain name median price in US Dollars for domain names with six characters in the three months ending March 2019, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.

Fewer letters see greater value

Two- and three-letter domain names maintained a higher median price than domains with four or five letters, but dropped sharply from Q4 2018. The median price for domain names with two and three letters fell from US\$365,000 in Q4 2018 to US\$212,000 in Q1 2019.

Figure 4.0 shows the sharp drop-off in median price for two- and three-letter domain names.

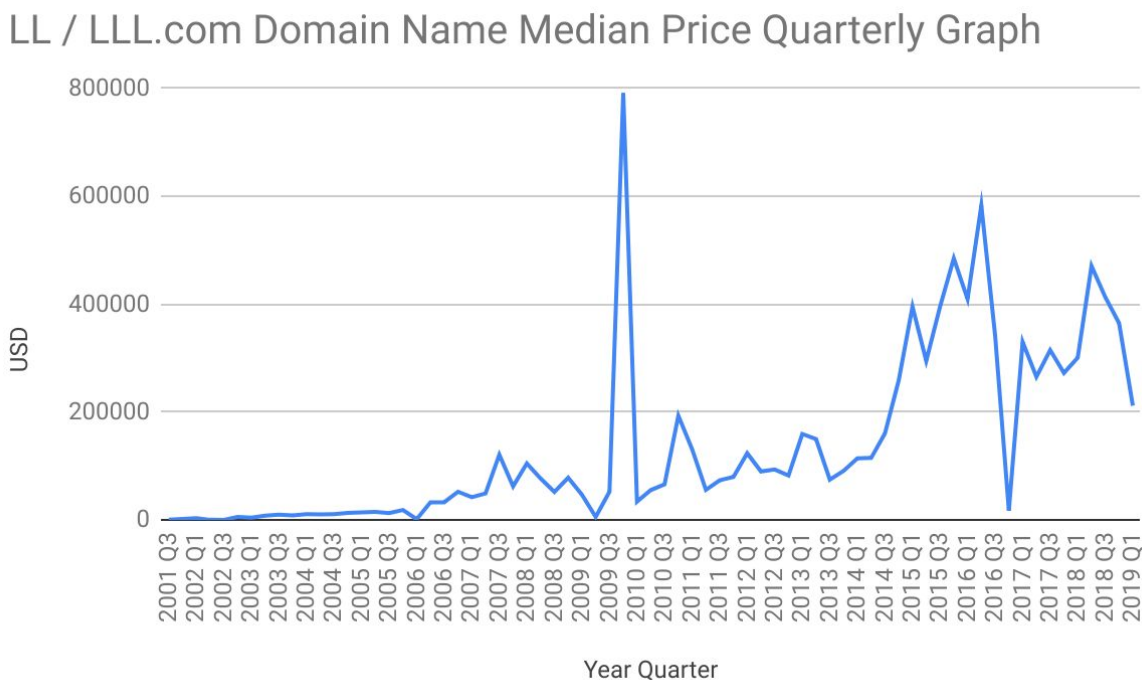


Figure 4.0: Domain name median price in US Dollars for domain names with two and three letters in the three months ending March 2019, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.

The four-letter domain name category, however, continued its growth following a steady downward trend between 2014 and 2016, as is demonstrated in **Figure 4.1**. Over the same period, **Figure 4.2** reveals that five-letter domain names dropped off slightly after strong growth over the past three quarters, and steady, if moderate, growth over the past several years following a fall in early 2016.

LLLL.com Domain Name Median Price Quarterly Graph

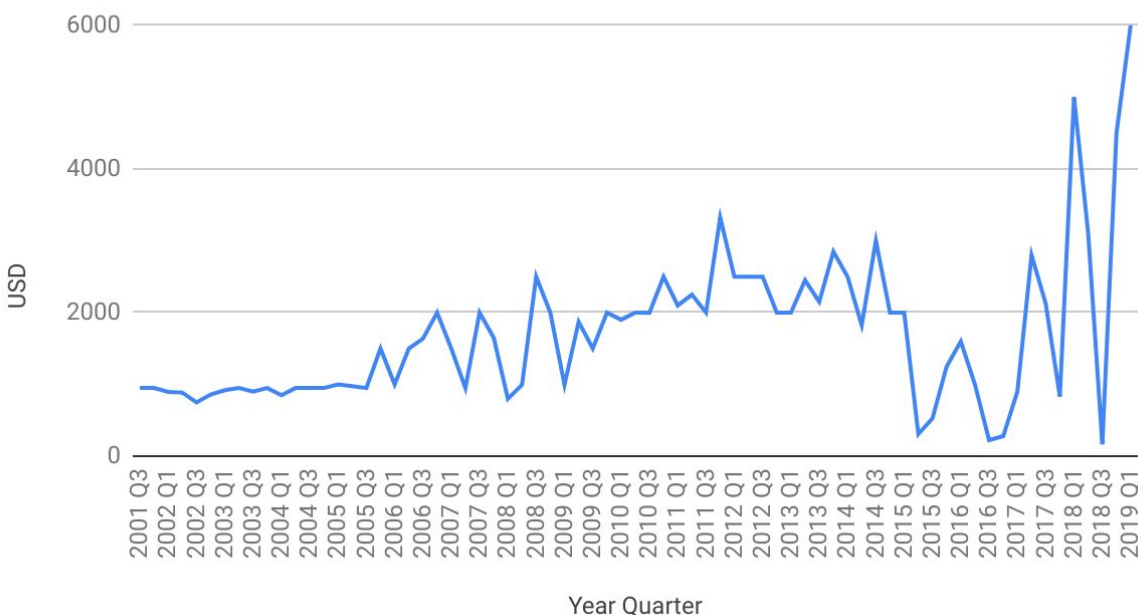


Figure 4.1: Domain name median price in US Dollars for domain names with four letters in the three months ending March 2019, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.

LLLLL.com Domain Name Median Price Quarterly Graph

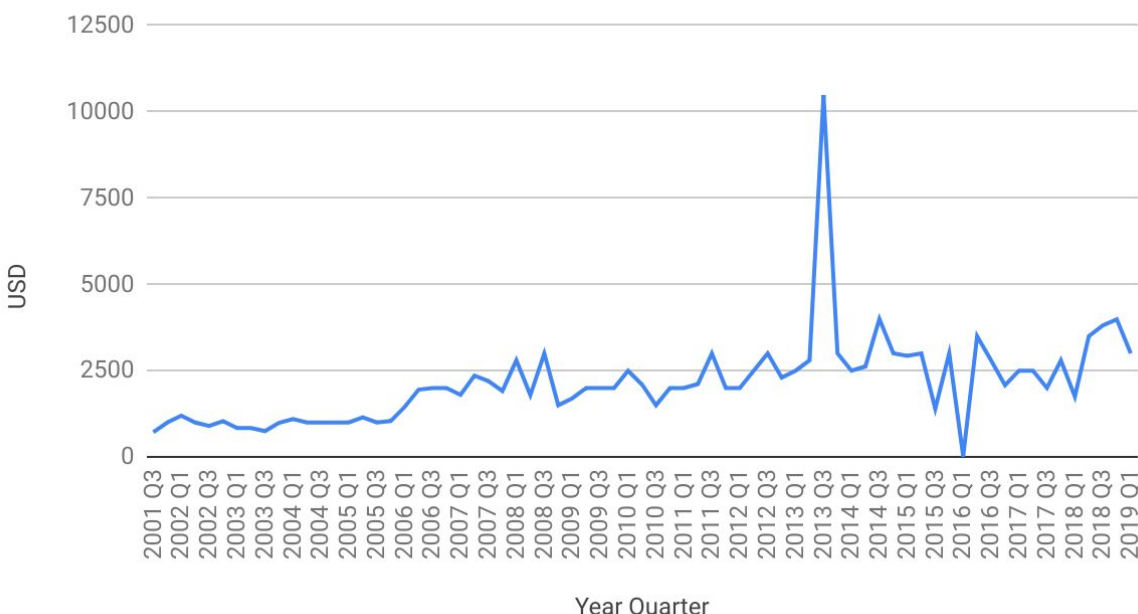


Figure 4.2: Domain name median price in US Dollars for domain names with five letters in the three months ending March 2019, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.

Four-number domains fluctuate

Figure 4.3 shows a continued decline for domain names with two and three numbers following a peak in 2016 of about US\$1.5 million.

NN / NNN.com Domain Name Median Price Quarterly Graph

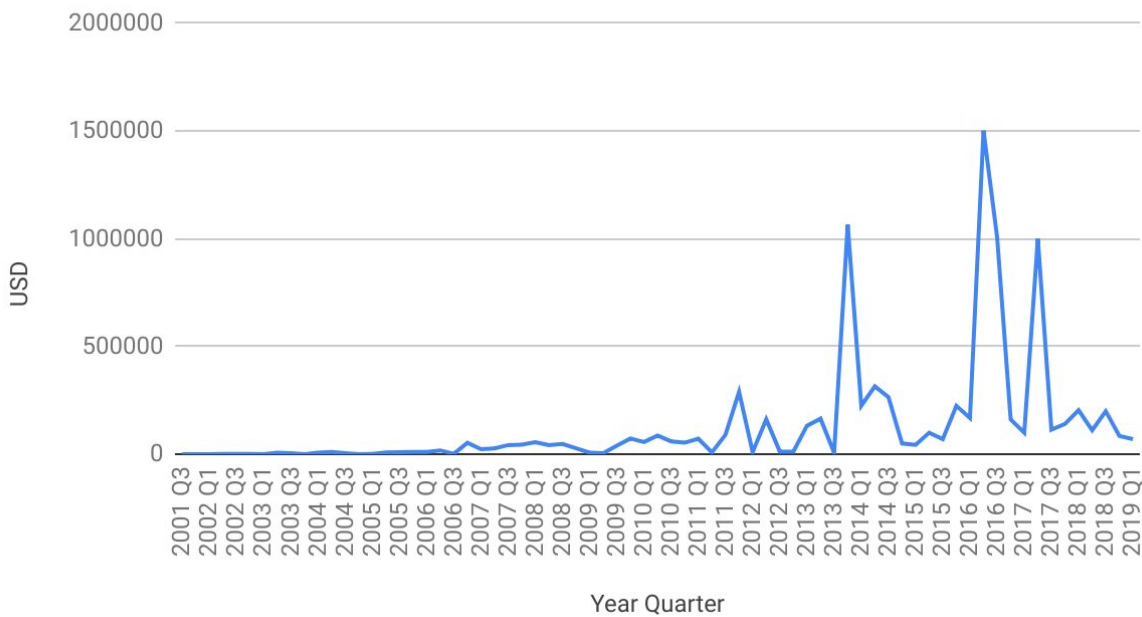


Figure 4.3: Domain name median price in US Dollars for domain names with two and three numbers in the three months ending March 2019, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.

Domains with four numbers also dipped slightly in Q1 2019 following a largely upward trend over the past five years, as illustrated by **Figure 4.4**.

NNNN.com Domain Name Median Price Quarterly Graph

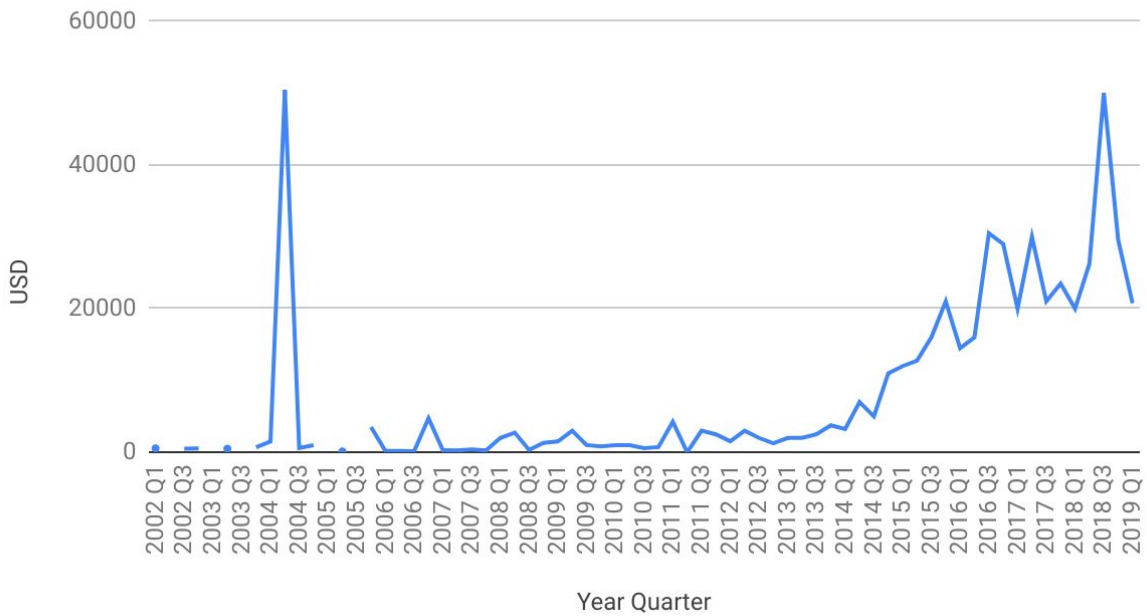


Figure 4.4: Domain name median price in US Dollars for domain names with four numbers in the three months ending March 2019, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.

The "virtual real estate" represented by domain names is clearly influenced, much like its real-world counterpart, by a desirable address.

For more information, visit [Escrow.com](https://www.escrow.com).

About Escrow.com

[Escrow.com](https://www.escrow.com) is the leading provider of secure online payments and online transaction management for consumers and businesses on the Internet, having safely processed over US\$4 billion in transactions. Founded by Fidelity in 1999, Escrow.com reduces the risk of fraud by acting as a trusted third party that collects, holds and disburses funds according to buyer and seller instructions.

Escrow.com is also the winner of the 2017 BBB Torch Award for Ethics for Silicon Valley, San Francisco and the Bay Area, an award presented to a business that goes above and beyond in their business dealings with customers, other businesses and the community.

Escrow.com is a subsidiary of eleven-time Webby Award winning Freelancer.com, the world's largest freelancing and crowdsourcing marketplace by number of users and jobs posted. Freelancer Limited is listed on the Australian Securities Exchange under the ticker ASX:FLN

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