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# ALTERNATIVE INVESTING

A Comparison Between Traditional  
Instruments and Web Domains

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# Is investing in domain names like investing in virtual real estate?

*A comparison of returns across asset classes including stocks, bonds and real estate. Includes the inaugural Escrow.com Quarterly Domain Investment Index report on domain name prices.*

## **Introduction**

Drawing from data provided by Escrow.com, the world's largest online escrow provider for domain names and a range of other items, this inaugural *Escrow.com Domain Investment Index* report demonstrates the emerging place of domain names in the broader portfolio of investments available today, and outlines the viability of domain names as a mainstream investment option.

The report is broken into two sections. The first is a comparison of investment returns between traditional instruments including stocks, bonds, real estate and bitcoin with returns from investing in Internet domain names. This section showcases domain names as a viable and attractive alternative to traditional investment assets, an option that is akin to 'virtual real estate'.

The second part of the report comprises the *Escrow.com Domain Investment Index* for the three months ending December 2018, which provides greater detail about recent trends in the domain name market and offers insight into domain transaction values over the quarter, compared to previous periods.

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### **Source Data**

The data relating to domains used in this paper were retrieved from [Escrow.com](https://www.escrow.com), the world's largest online escrow provider for a plethora of items, including domain names. For 20 years, [Escrow.com](https://www.escrow.com) has been pioneering online transactions from all over the world – securing US\$3.9 billion worth of transactions, where over US\$3 billion involved domain transactions. The volume of domain transactions secured on the platform makes [Escrow.com](https://www.escrow.com) the best source of domain-related price information.

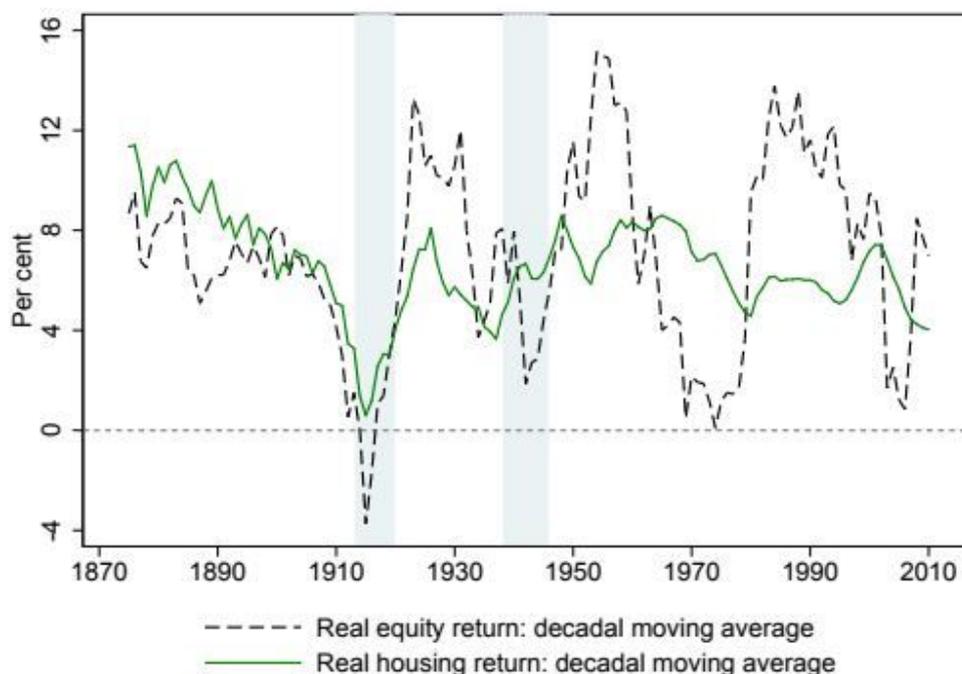
## **Historical context**

*A comparison of returns from stocks, bonds, real estate, Internet domain names and Bitcoin*

Over the 150 years between 1860 and 2010, the returns on equities and real estate in 16 countries were found to be similar, with both seeing an average return rate of about 7% per annum, according to the 2017 paper *The Rate of Return on Everything* (Jordà et al).

Regardless of the similar return rate between equities and real estate, the paper reveals that equities experienced more volatile fluctuations throughout their collective historical performance, with returns spiking at 16% and falling as low as -4% in over several decades.

Moreover, continuous boom-bust cycles have been observed over the period studied by Jordà et al., with returns dropping during global catastrophes such as World War II, the macroeconomic instability in the late 1970s and the 2008 Global Financial Crisis.



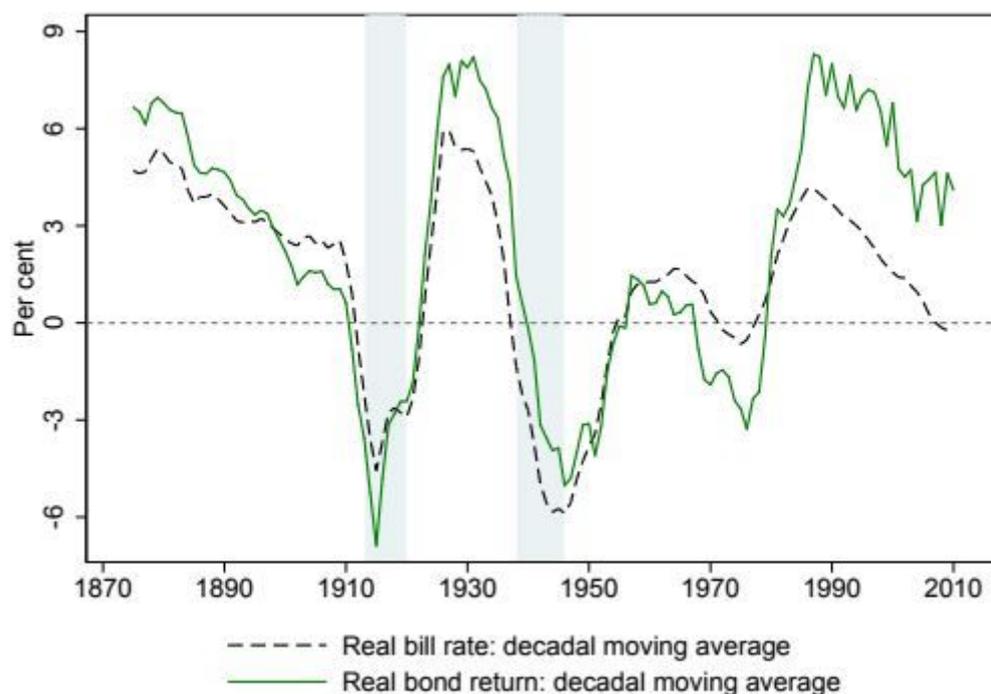
**Figure 0.1: Real equity versus real housing return  
 from *The Rate of Return on Everything* (Jordà et al.)**

Bond returns have also been volatile in nature throughout the 150-year period studied in the paper, largely due to both world wars. With an average return of only 2.5%, bond returns lag far behind equities and real estate. Despite bonds being a “low-risk” investment option, their volatility has also been unpredictable.

A more recent entrant to the global investment palette is cryptocurrency, a form of decentralised digital or “virtual” currency, of which bitcoin is the dominant security.

Historical data relating to bitcoin returns is limited to the handful of years since the mechanisms underpinning the digital currency was released as open source code in 2009. In that time, bitcoin’s value has fluctuated dramatically, rising from zero cash value to a peak of almost US\$20,000 in late 2017, and quickly falling again to well below US\$4,000.

While bitcoin’s trajectory since 2009 has seen rampant growth, it has come with a number of pronounced peaks and subsequent falls – particularly over the three years to 2018, a period that has seen its cash value fluctuate substantially.



**Figure 0.2: Real bill versus real bond returns  
from *The Rate of Return on Everything* (Jordà et al.)**

Equities, bonds and real estate are all subjected to transaction costs that affect investment returns. According to *The Rate of Return on Everything*, real estate transaction costs in most countries equate to 7.7% of the property's total value while equity investments in the United States can reach up to 200 basis points (bps) or 2% for two-way transactions.

Bitcoin transactions can also attract fees. Bitcoin transactions incur fees of varying amounts – sometimes just a few cents per block but sometimes in the tens of dollars range. These fees are needed to have transactions processed by the bitcoin miner and confirmed by the decentralised bitcoin network.

Moreover, bitcoin that is traded or bought and sold with real world currency via a digital currency exchange also usually attracts a fee. This fee varies depending on the exchange and the nature of the transaction, but will usually be less than 4%.

Taxation, a tangible cost that is occasionally overlooked, should also be considered when forecasting potential investment growth and returns. Equity capital gains, dividends in some regions, and real estate capital gains are all subjected to capital gains tax to some degree. However, owner-occupied houses are often given exemption to said tax, but are still obliged to pay property taxes.

Bitcoin and other cryptocurrencies may also be subject to taxation obligations, depending on the region, particularly when they are being bought or sold in exchange for real world currency.

Broadly, the volatile nature of bitcoin is likely to keep the cryptocurrency from becoming a serious investment option for most people. For example, although bitcoin returns rose dramatically in the third quarter of 2017 compared to the year prior, it has subsequently fallen over 80% from its peak.

### **Internet Domain Names**

Like bitcoin, Internet domain names are a more recent entry to the global investment landscape, although they have been around for longer than the cryptocurrency, with early domain names being registered from at least 1985 onwards. Unlike bitcoin, domain name prices have held a more moderate upward course in terms of growth without the volatility that has plagued the cryptocurrency.

Since the mid-'80s, when the earliest domain names began being registered, the Internet has taken a dominant role in the day-to-day life of billions of people around the world, and domains have grown alongside it, both in terms of total volume and in terms of value – albeit within specific subsets of the domain name hierarchy.

Today, domain names can be valuable assets. Google, WordPress, and Amazon are just a few examples of companies that actively buy domain names. And for good reason – according to *TechCrunch*, “One may even say it’s a natural evolution of media, where brands finally want to own the channel versus renting a space”.

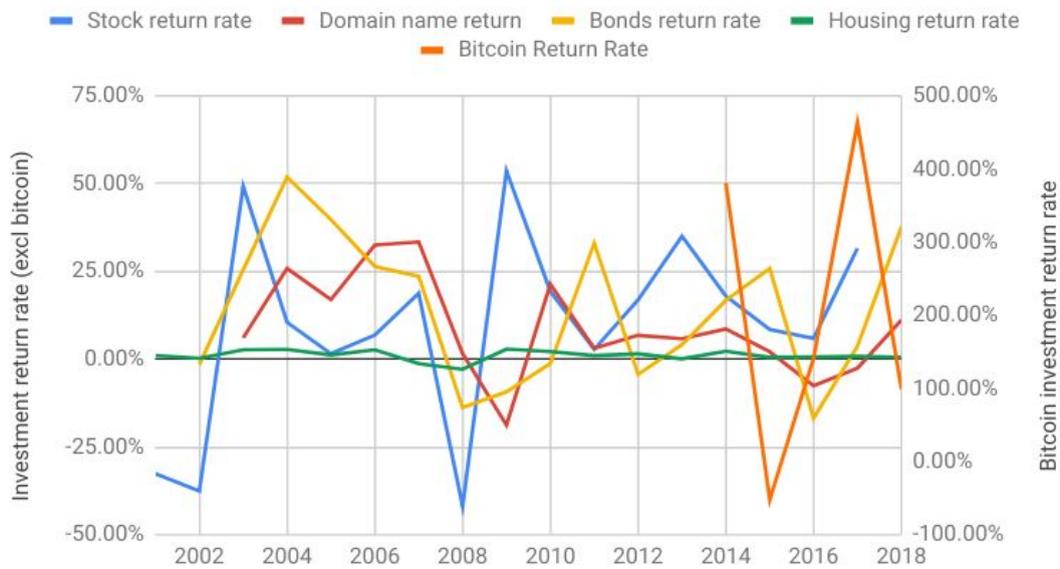
As can be seen in **Figure 1.1**, annual domain name returns have remained largely stable in comparison to some of the other investment instruments examined, and largely in positive growth territory. Over the same period, stocks and bonds experienced greater swings between peaks and troughs, with both experiencing negative returns over the period charted.

Only real estate appeared to maintain as stable a trajectory over the past 16 years. Bitcoin returns, meanwhile, have fluctuated dramatically over the past four years from negative growth to returns of 600% or more.

**Figure 1.2** shows in greater detail the annual returns of stocks, bonds, real estate and domain names without bitcoin over the past 16 years. At this scale, it is clear that real estate has maintained the most stable annual return rate of the investment instruments examined. However, real estate returns have been minimal in terms of growth.

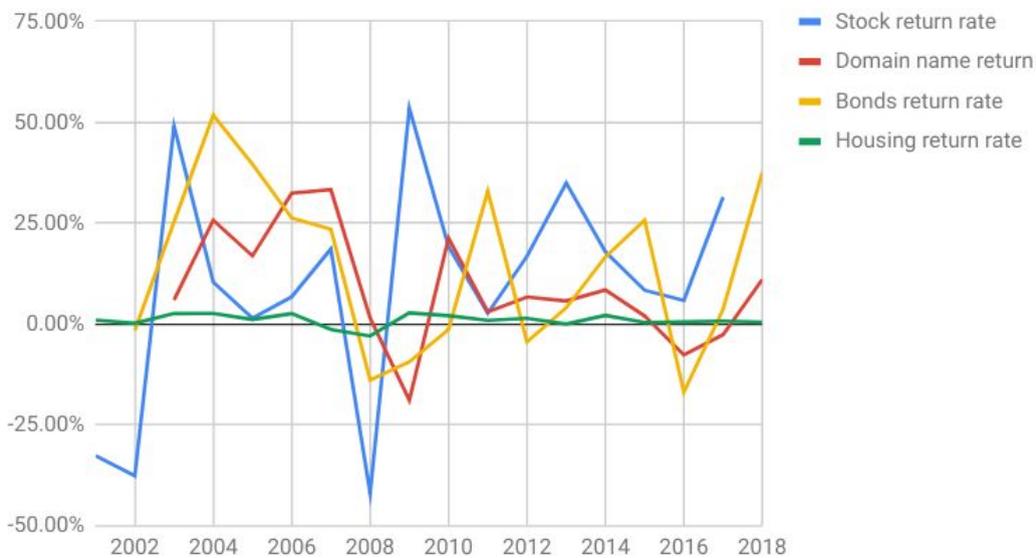
Stocks and bonds have fluctuated over the 16-year period. Stocks alone have a variance of nearly 100% from peak to trough, with periods of pronounced negative growth. Domains have tended to maintain a more moderate trajectory, with a variance of no more than 50% from peak to trough, largely seeing consistent positive growth on an annual basis with the exception of two dips, in 2009 and again in 2016.

### Different Types of Investment Return (%) VS Years



**Figure 1.1: Annual returns of multiple investment instruments: bitcoin, stocks, domains, bonds and real estate. Source: Data acquired from CoinMarketCap<sup>1</sup>, ADVFN<sup>2</sup>, Escrow.com<sup>3</sup>, Yahoo Finance<sup>4</sup> and Trading Economics<sup>5</sup>**

### Different Types of Investment Return (%) VS Years



**Figure 1.2: Annual returns of multiple investment instruments not including bitcoin: stocks, domains, bonds and real estate Source: Data acquired from Escrow.com, ADVFN, Yahoo Finance and Trading Economics**

<sup>1</sup> <https://coinmarketcap.com/currencies/bitcoin/historical-data/?start=20130428&end=20180912>

<sup>2</sup> <https://www.advfn.com/stock-market/NASDAQI/XNDX/historical/more-historical-data>

<sup>3</sup> <https://www.escrow.com/>

<sup>4</sup> <https://au.finance.yahoo.com/lookup>

<sup>5</sup> <https://tradingeconomics.com/united-states/housing-index>

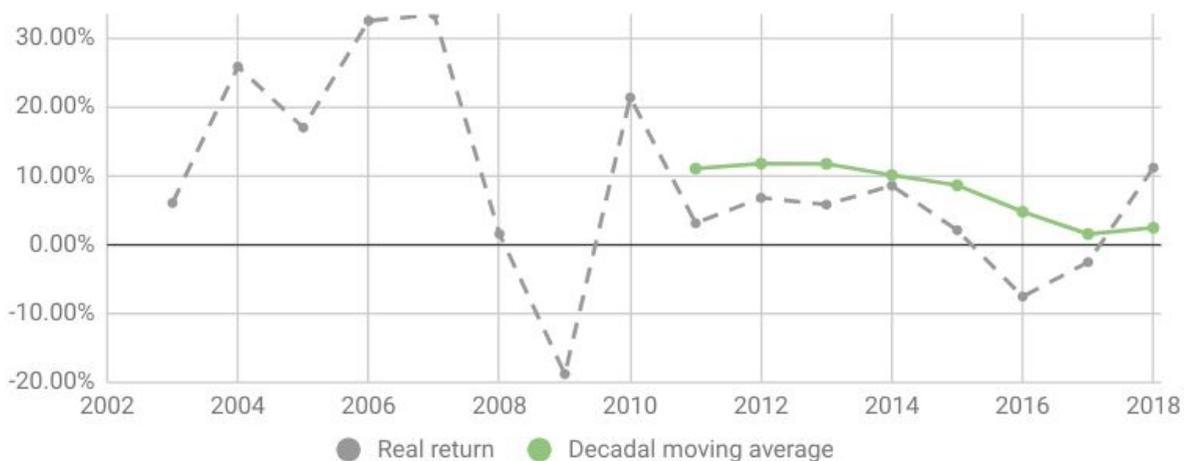
## Domain name returns

### *Positive gains over 17 years*

The following analysis makes a number of assumptions. Firstly, all the domains analyzed are purchased from the aftermarket. There are millions of new primary registrations every year while only a small subset are purchased on the aftermarket. Secondly, because the data is obtained from Escrow.com, the report looks at only domains that are resold, effectively cherry picking the valuable domains and discounting all the domains that were bought on the primary registration market and subsequently allowed to de-register or drop. In considering domains as an investment, it is assumed that people are investing in 'premium' domains such as keywords, four letter words and other similar high end categories. Third, the analysis excludes holding fees. It is assumed that there is no cost to holding a domain, while it is known this is not the case. Holding fees, especially in new Top-Level Domains (TLDs) can substantially impact returns.

Bearing this in mind, a closer look at domain name returns on an annual basis over the past 17 years is offered in **Figure 2.1**. Average annual returns show returns over 30% year on year and as low as -20%.

#### Return based on median price



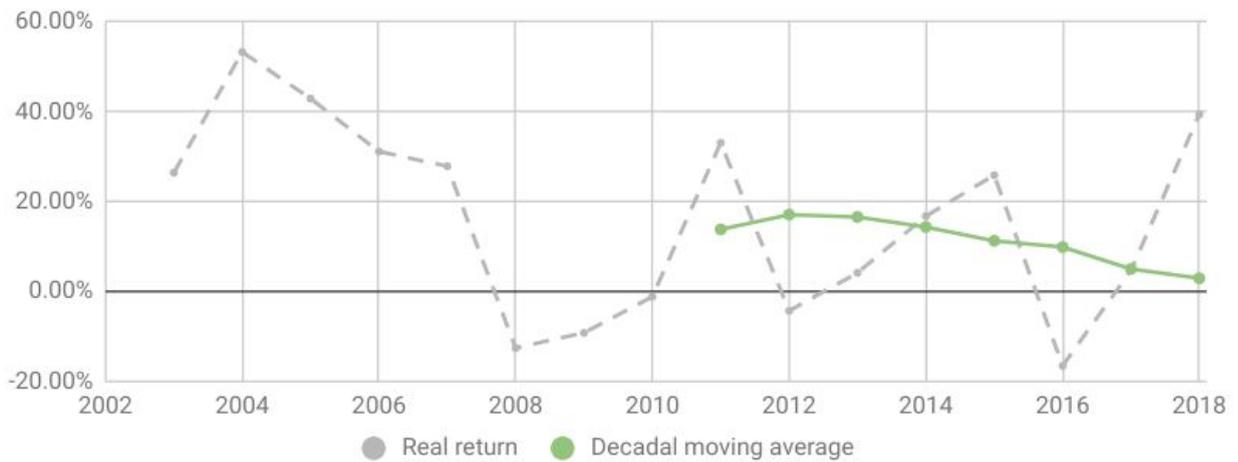
**Figure 2.1: Annual median returns for domain names**

**Source: Data acquired from Escrow.com**

At the same time, the median annual rate of return over the same period shown in **Figure 2.2**. Here we see returns as high as 40% year on year and as low as -18%.

Unlike other investment instruments such as bitcoin, stocks and bonds, the vast majority of domain name returns over the past 17 years has been positive.

## Return based on average price



**Figure 2.2: Annual average returns for domain names**  
**Source: Data acquired from Escrow.com**

## What affects domain pricing?

### *The factors that make domain names a valuable investment*

Unlike other investment instruments such as stocks, bonds and bitcoin, average and median domain name returns over shorter periods can be affected by high value transactions involving highly sought after domain names.

There are a number of factors that can contribute to how valuable a domain name may be and how much it can command in terms of sale price, such as the number of letters or numbers in the domain name, its suffix (for example, .com) and whether it is associated with an existing website.

#### **Extension**

Top-Level Domains (TLDs) with the extension (or suffix) '.com' open up domains to a global market, rather than having extensions connected to certain countries such as '.ph' or '.au'. With a bigger demand for a domain, its valuation rises.

#### **Easy Recall**

Successful domains have good visitor traffic. Therefore, a great domain must be accessible to its market. If a domain is difficult to recall mentally by people, it may lead to the loss of potential traffic and could devalue the domain.

## **Trending Keywords**

Trending topics around the world tend to have fast-selling domain names. Since investors want to capitalize on the trend, they buy into these trend-centered domains and sell it at a later time for a higher premium.

One example is 'cryptocurrency'. In November 2017, it was reported by [Tanaya Macheel from Cheddar](#)<sup>6</sup> that the domain name 'crypto.com' was sold for a rumoured \$12 million. Similarly it was reported that 'ethereum.com' sold for US\$10 million while 'eth.com' sold for US\$2 million a month prior – “possibly the highest price for a crypto-related monikers,” according to the [Domain Name Journal via Bloomberg](#).<sup>7</sup> With the heat coming out of the cryptocurrency market, it is questionable whether high prices will continue to be achieved in this category.



**Figure 2.3: Ethereum.com sold for a rumoured US\$10 million**

From 2010 to 2017 the median price for “crypto” domains amounted to US\$2,000, a calculation based on the “crypto” domain transactions (for transactions via Escrow.com during the period). The median price for “crypto” domains in 2018 alone was US\$1,875.

## **Content**

Virtual real estate can be developed in order to increase its value. Similar to building on a vacant lot with real property, content can be hosted on domain names in an effort to increase its value.

Note that the term ‘content’ can be broad in this category and can mean anything from a domain with a simple landing page, through to a full ecommerce store generating revenue.

<sup>6</sup> <https://cheddar.com/videos/monaco-has-a-lot-to-prove-after-buying-crypto-com>

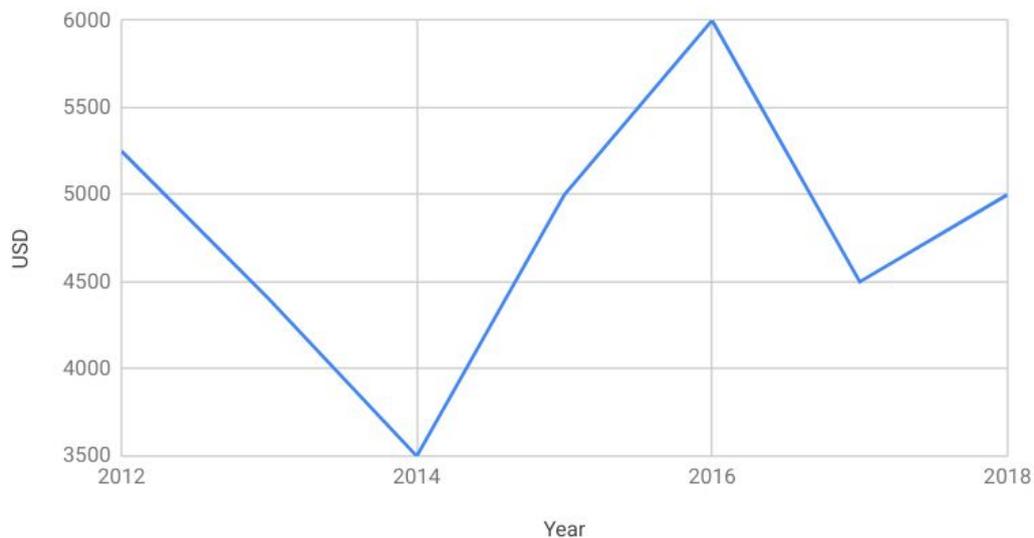
<sup>7</sup>

<https://www.bloomberg.com/news/articles/2017-11-14/ethereum-com-domain-name-can-be-yours-for-about-10-million>

Since 2016 to the end of 2018, domains without content claimed a median paid price of US\$2,350. Over the same timeframe, domains filled with content have attracted a median price of US\$5000, more than double that of domains without content.

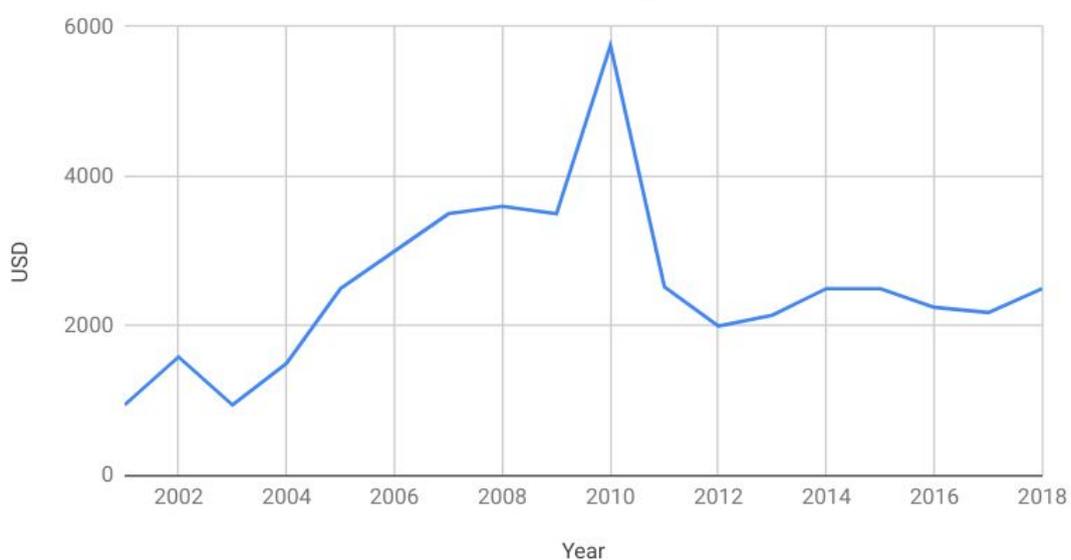
**Figures 2.4 and 2.5** highlight the market difference between domain names with content and those without from 2012 to 2018, with domains without content exhibiting median prices well below those containing existing content. Note that before 2012, Escrow.com did not collect pricing data for domains with content.

Domain name with content median price



**Figure 2.4: Median domain name prices for domains with content**  
Source: Data acquired from Escrow.com

Domain name without content median price



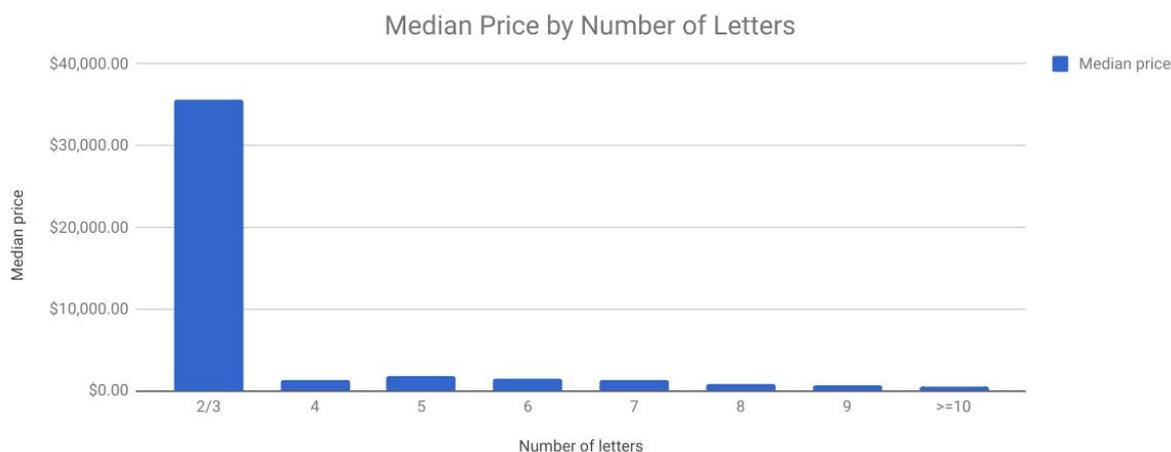
**Figure 2.5: Median domain name prices for domains without content**  
Source: Data acquired from Escrow.com

## **Length**

The length of a domain name has a marked relationship with its potential value, as can be seen in **Figure 2.6**. The median price of domains with only two or three letters from 2015 to 2018 was over US\$336,000, while domain names with more letters typically commanded a substantially lower median price over the same period. Domains with just one, two or three characters generally tend to command higher prices when bought and sold due to their scarcity.

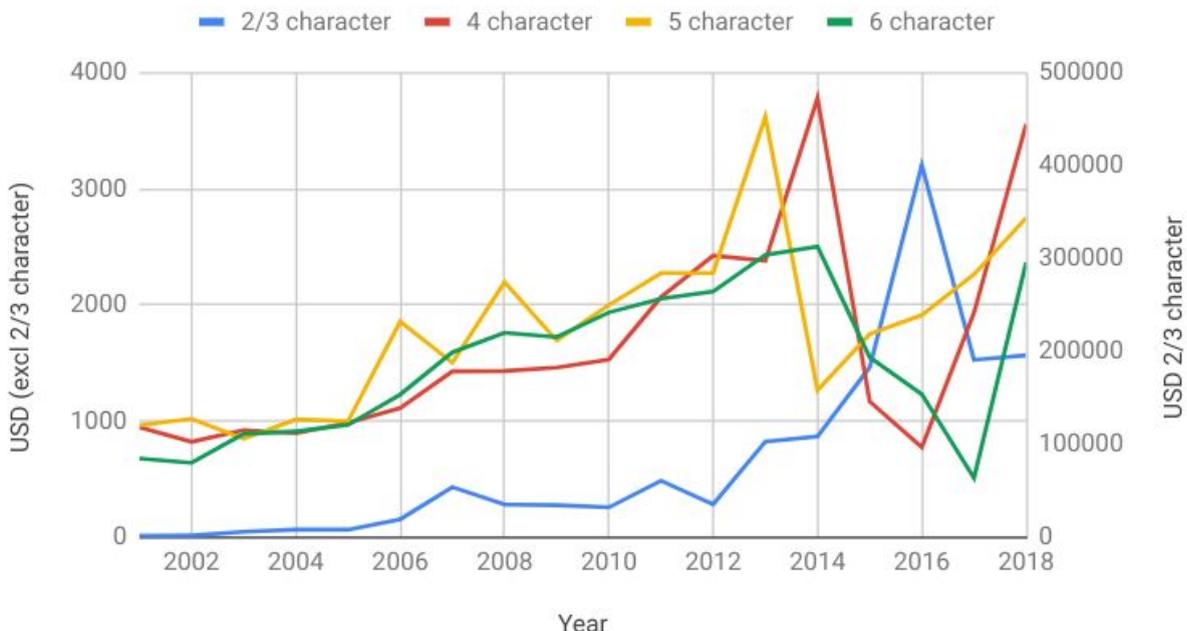
A more detailed breakdown of the annual median price and average price of domain names of varying lengths by number of characters can be found in **Figures 2.7** and **2.8**, both of which demonstrate the superiority of two and three-character domain names, in terms of price, over other variations.

Meanwhile, **Figures 2.9** and **2.10** examines the average and median prices of domains from 2001 to 2018 in terms of number of letters and numbers, with two and three-letter domain names dominating in later years, particularly in 2016.



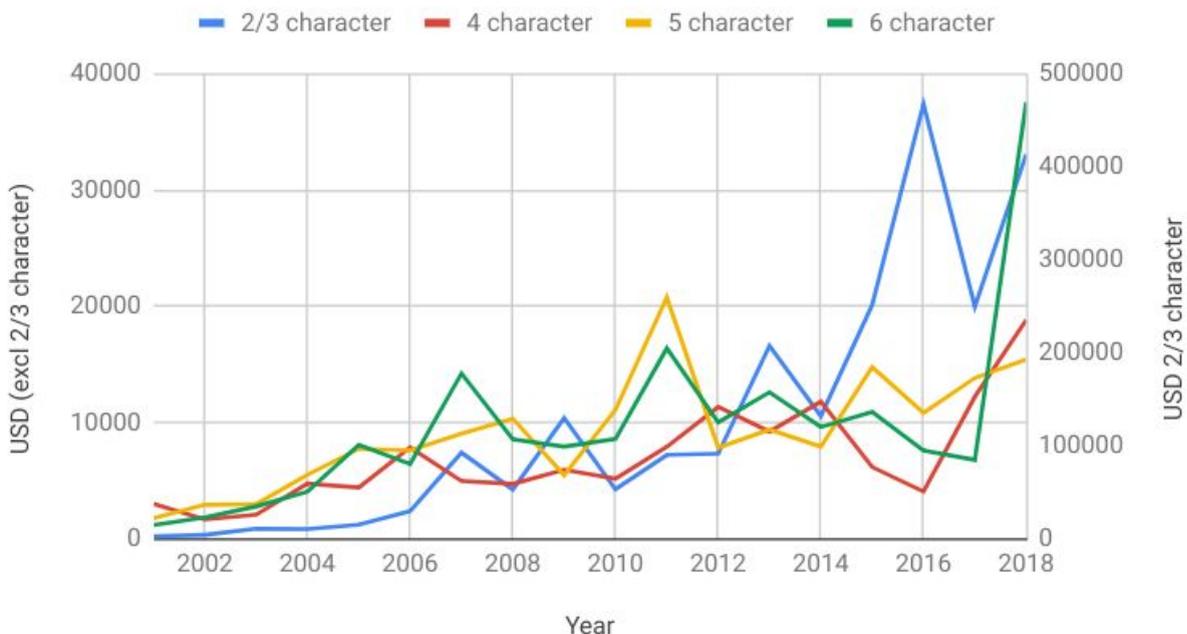
**Figure 2.6: Median price from 2015 to 2018 of domain names of different lengths by number of characters. Source: Data acquired from Escrow.com.**

### Number of characters domain name median price



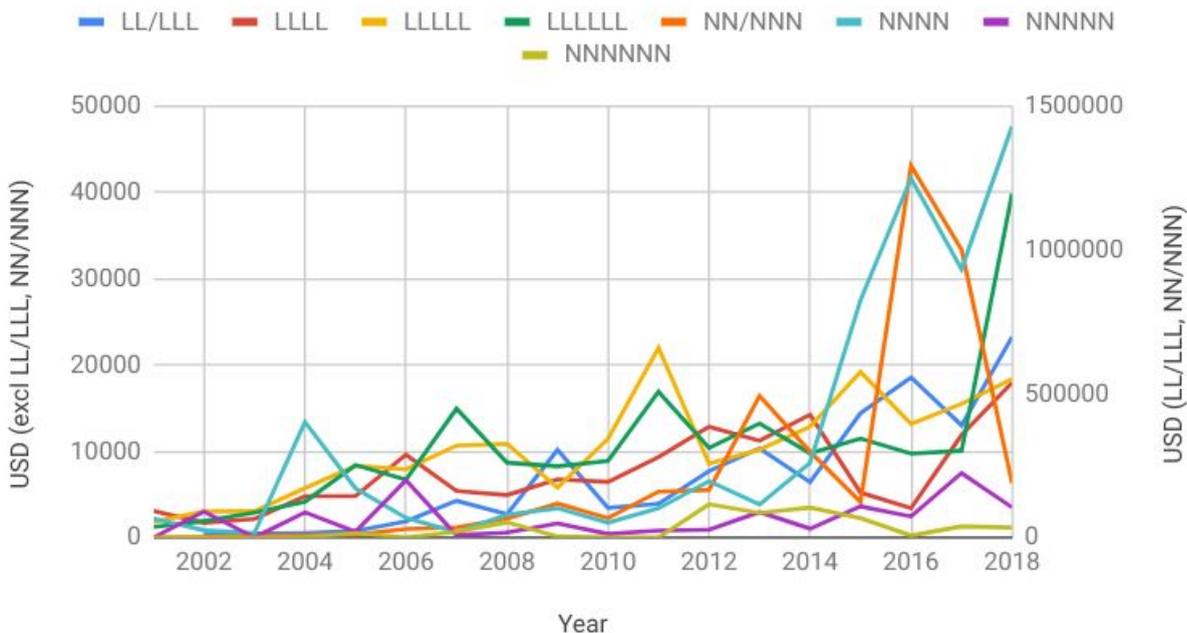
**Figure 2.7: Median price of domain names from 2001 to 2018 by number of letters and numbers. Source: Data acquired from Escrow.com.**

### Number of characters domain name average price



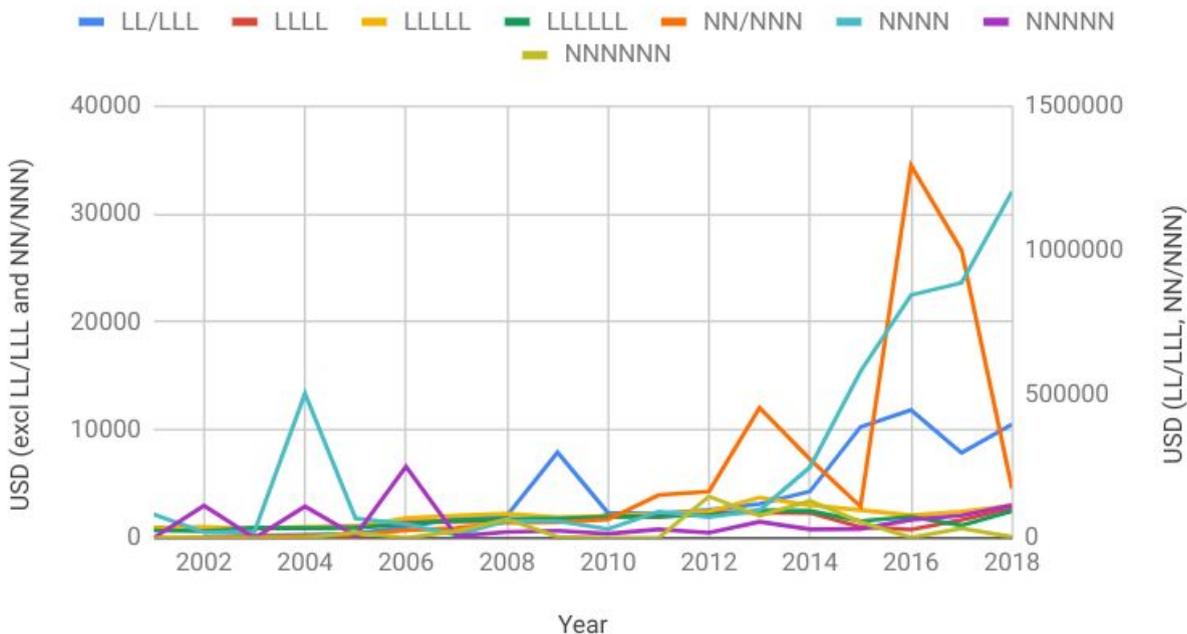
**Figure 2.8: Average price of domain names from 2001 to 2018 by number of characters**  
**Note: Data acquired from Escrow.com.**

### .com Domain name average price (USD)



**Figure 2.9: Average price of domain names from 2001 to 2018 by number of letters and numbers. Source: Data acquired from Escrow.com.**

### .com Domain name median price (USD)



**Figure 2.10: Median price of domain names from 2001 to 2018 by number of letters and numbers. Source: Data acquired from Escrow.com.**

# Conclusion

## *Domain names take their place as the new 'virtual real estate'*

Since bitcoin was released as open source code in 2009, the cryptocurrency's average rate of return has been around 176%. However, bitcoin's USD cash value has seen it fall by more than 80% in a little over a year, highlighting the cryptocurrency's substantial volatility, which has in turn largely prevented it from becoming a serious investment option for most people.

During the same period, stocks have returned an average of 21.2%, bonds 8.9%, domain names 3.0%, and real estate 1.2%. As demonstrated in these average growth figures over the past nine years, domain names present a competitive investment instrument when compared to other traditional investment tools in terms of growth, investment stability and return.

Moreover, aside from domain names' rate of return and relatively moderate levels of volatility, buying into domain investing can be inexpensive when compared to investment tools such as real estate, which can present a high financial barrier to entry for investors, while attracting additional costs such as land and property taxes. By contrast, ongoing annual maintenance costs for domain names can be in the range of US\$10 to 15 per annum.

Additionally, earning through domain investing is not limited to capital gains alone but also through domain leasing, which can be carried out via [Escrow.com](https://escrow.com). In this way, among others, investing in domain names can be compared to investing in real estate, positioning domain names as a new kind of 'virtual real estate'.

Other parallels with real estate investment can be drawn when considering some of the factors that make certain domain names more valuable than others. For example, domain names comprised of two characters tend to be bought and sold for substantially more than those with three, four or five characters. In this way, two-character domains can be thought of as 'High Street' real estate, in which higher demand, higher traffic locations result in higher prices.

In the traditional property market, the best commercial real estate address typically commands the greatest price. Likewise, in the virtual world, the best address -- or domain name -- usually attracts a higher asking price when it is bought or sold.

The commercial real estate market has typically experienced steady increases in prices for sought after commercial real estate. At the same time, the domain name market has also seen a rising number of multimillion-dollar transactions -- US\$5 million and above -- for domain names that are in high demand.

However, while traditional commercial real estate in high-traffic areas can command premium prices because they can draw more customers from the immediate physical

region, the virtual real estate provided by domain names can attract customers from anywhere around the world with an Internet connection, marking domains as an investment option with greater scope, opportunity and, ultimately, greater value than traditional real estate.

**Refer to the inaugural *Escrow.com Domain Investment Index* below for a detailed snapshot of the domain name market over the past three months.**

# Escrow.com Domain Investment Index: Q4, 2018

*For the quarter ending 31 December 2018*

## Executive Summary

The *Escrow.com Domain Investment Index for Q4 2018* provides a snapshot of the domain name market during the 2018 December quarter, set against the backdrop of previous quarters.

The latest data from Escrow.com, the leading provider of secure online payments and online transaction management for consumers and businesses on the Internet, reveals that there continues to be certain elements that make some domain names more valuable than others. Indeed, some types of domains, particularly those comprised of fewer numbers or letters, have seen a marked rise in value over the past quarter.

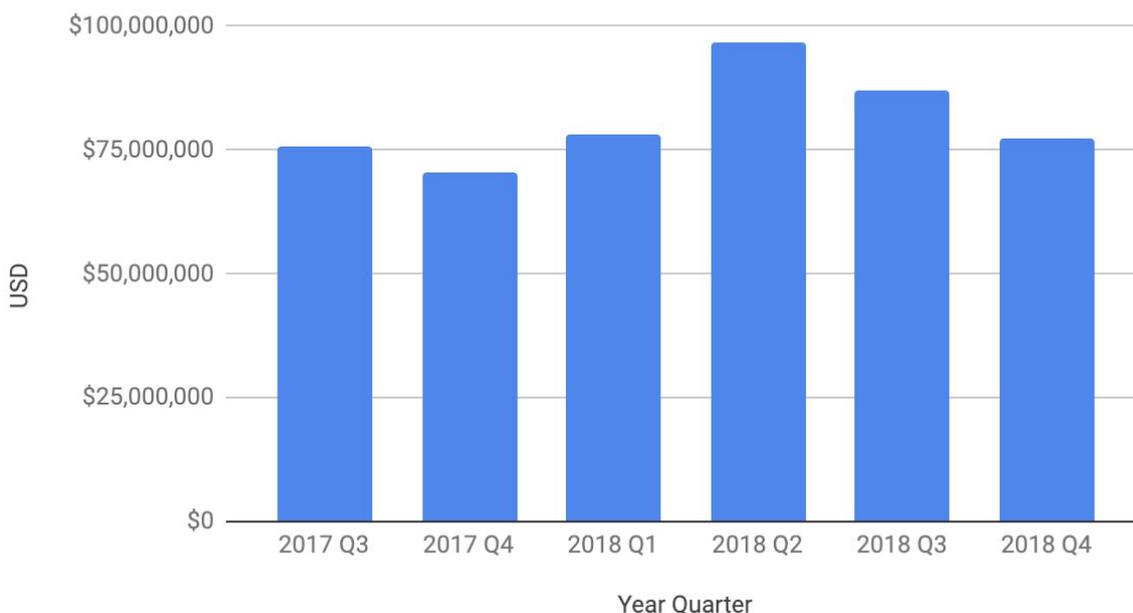
Just as 'High Street' real estate can command a higher price than other properties, domain names with two and three characters, for example, have seen substantial increases in terms of median price -- especially in the most recent quarter. Meanwhile, those with two numbers have fallen, compared to the previous quarter and the corresponding quarter the year prior.

At the same time, some markets have seen an increase in total domain name transaction value while others have waned, with the United States appearing to increase its already substantial transaction value while China sees a fall.

### **Domain name transaction value eases after peak**

In the three months ending December 2018, the total value of domain name transactions facilitated by Escrow.com fell slightly from the the third quarter, which itself came in under the second quarter tally. However, the fourth quarter saw total transaction value 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 fourth quarter exceeded US\$77 million.

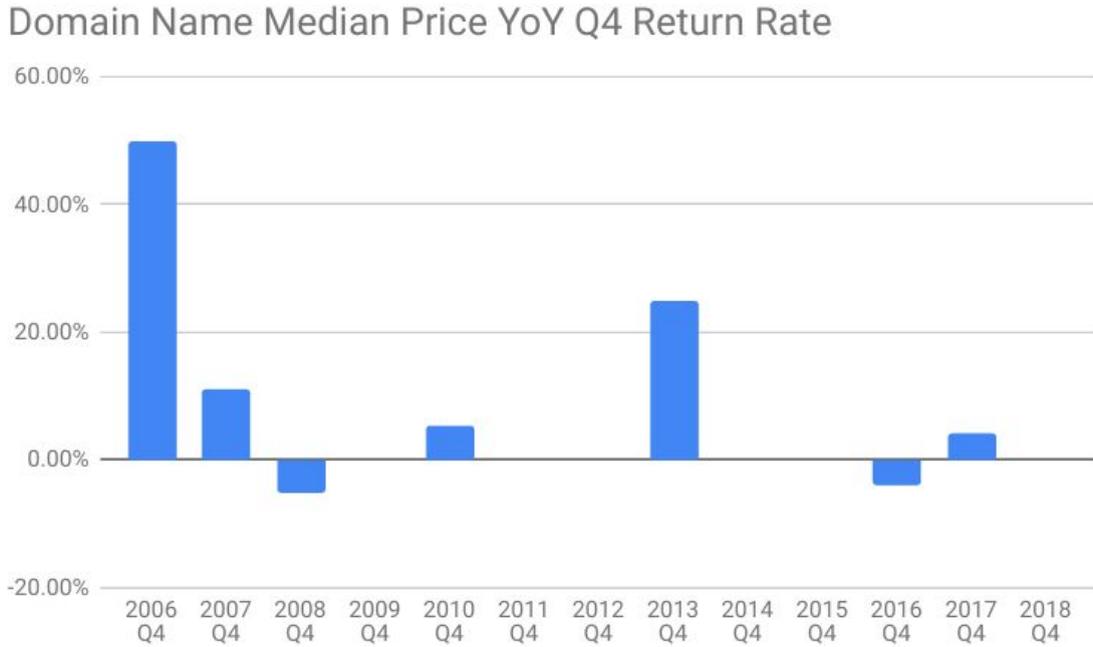
## Total Transacted Domain Name Amount



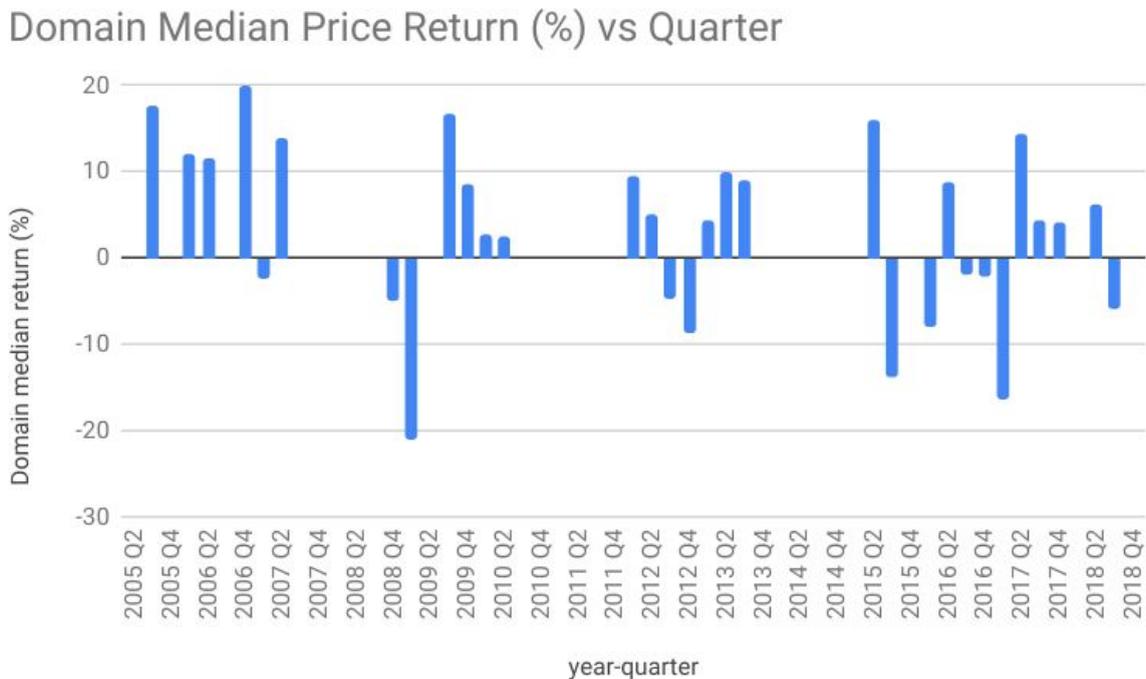
**Figure 3.0: Total transacted domain name value in US Dollars for the three months ending December 2018. Source: Data acquired from Escrow.com.**

The fourth quarter was preceded by several quarters that outstripped it in terms of total transaction value. Most notable was Q2 2018, which represented the high point for 2018 with the total transacted domain name value during the three month-period in the vicinity of US\$97 million during the period. This surge in Q2 2018 was followed by a third quarter in which more than US\$86 million worth of domain names were transacted.

On a median price return basis, Q4 drew level with the preceding quarter, as can be seen in **Figure 3.2**, and the corresponding quarter in 2017, as illustrated in **Figure 3.1**.



**Figure 3.1: Domain name median price return rate for the three months ending December 2018, 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)**

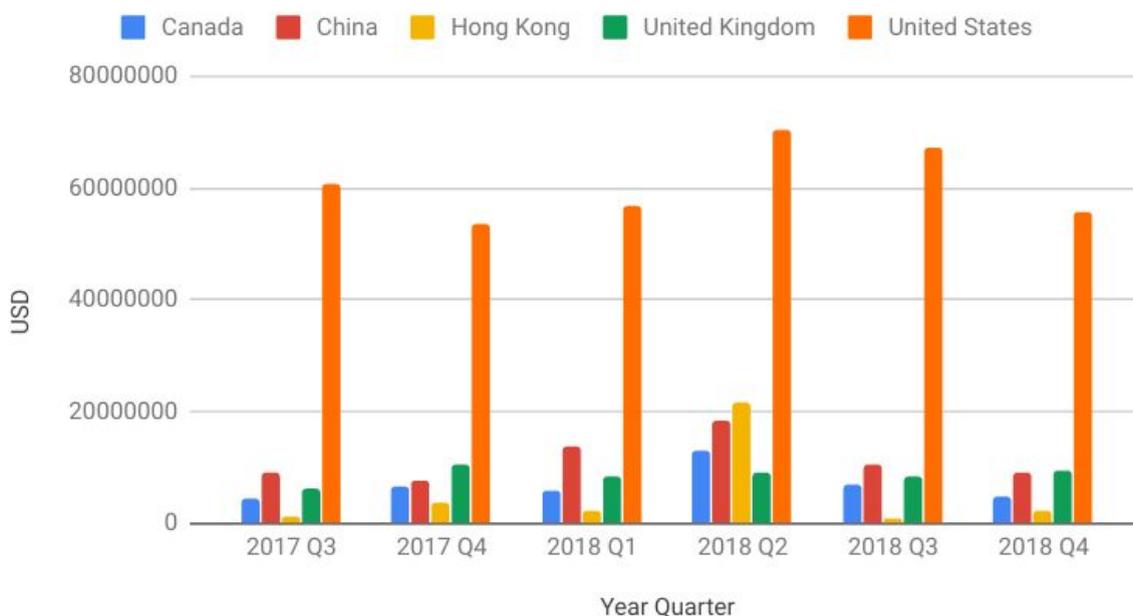


**Figure 3.2: Domain name median price return rate for the three months ending December 2018, compared to the corresponding quarter over the past 13 years. Source: Data acquired from Escrow.com. (Note - no visible bar graph represents a 0% quarter-by-quarter change)**

## **US leads the pack**

The United States continues to dominate the lead in terms of total domain name transaction value, with the other top five contenders, China, the United Kingdom, Canada and Hong Kong trailing behind the dominant frontrunner (**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 December 2018, compared to the prior four quarters.**

**Source: Data acquired from Escrow.com.**

While still clearly in the lead, the fourth quarter saw the total domain name transacted value in the US come to US\$55.6 million, a fall from the preceding quarter, which marked a peak of more than US\$67.2 million.

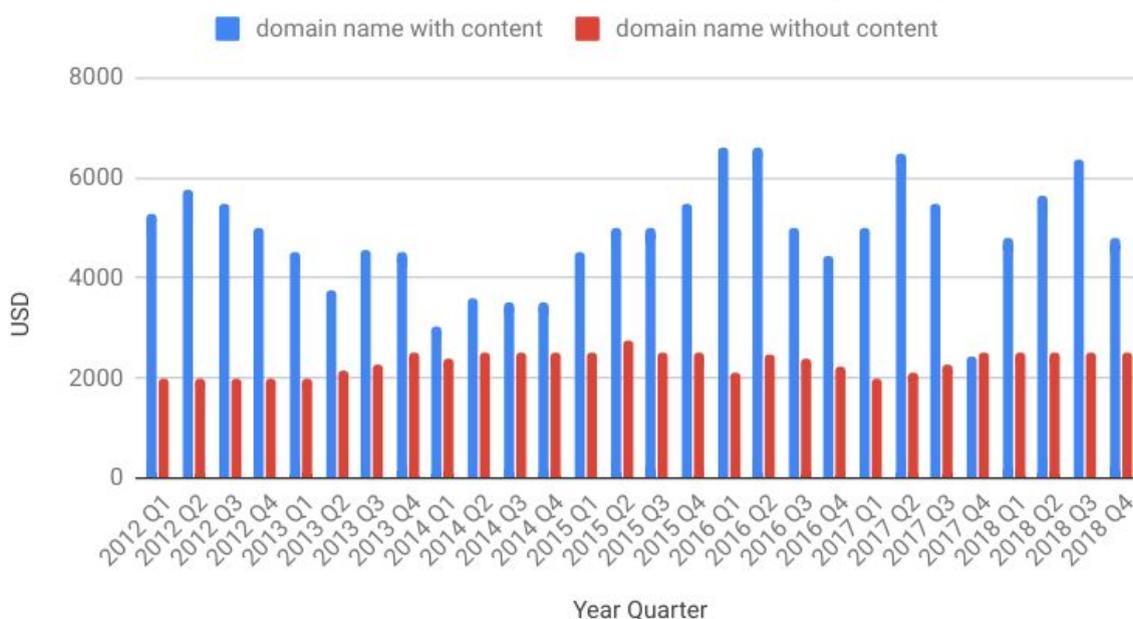
By comparison, the next largest region in terms of consistent domain name value, China, saw total transactions amount to US\$9.1 million during Q4 2018, a slight drop from the previous quarter, which saw nearly US\$10.5 million worth of domain transactions.

It should be noted that, with the exception of the fourth quarter, the US has seen significant increases in domain name transaction value, while China, conversely, has seen a quarter-by-quarter fall following a yearly peak in Q2 2018, when that region hit around US\$18.4 million in total transaction value.

## **Content continues to add value**

In terms of median price, domain names with existing content continued to outstrip those without content. As can be seen in **Figure 3.4**, the three months ending December 2018 saw the median price of domains with content reach US\$4,800. The final quarter figure came after a yearly top of well beyond US\$6,375 in Q3, which capped off three quarters of consecutive growth for domains with content. By comparison, the median price of domains without content in the December quarter stood at US\$2,500.

### Domain name with or without content median price graph

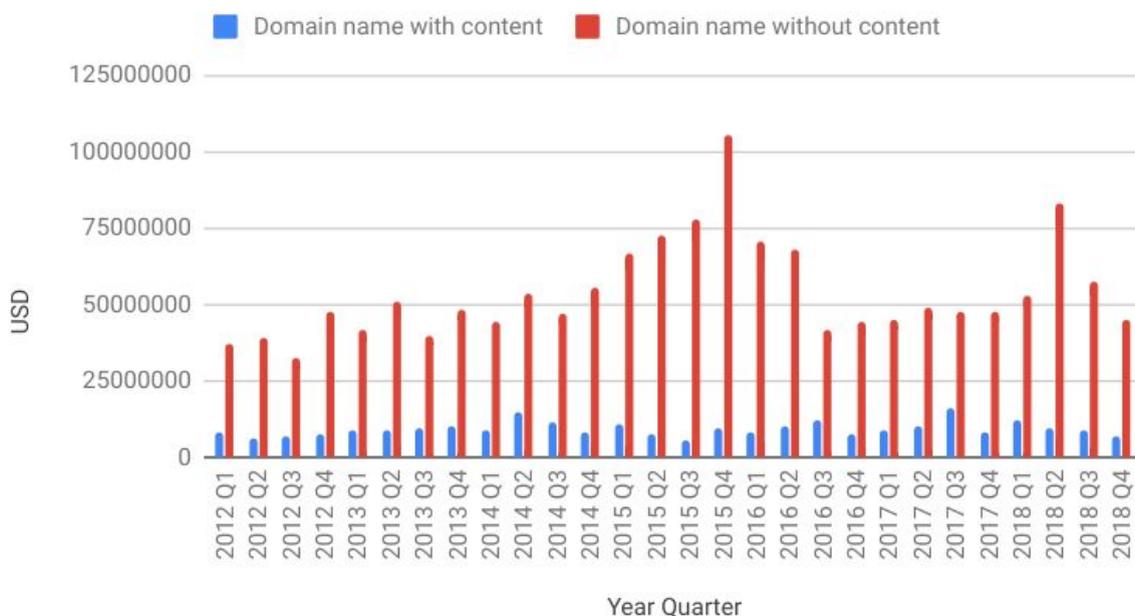


**Figure 3.4: Quarterly domain name median price in US Dollars for domains with and without content, compared to previous quarters over the past six years. Source: Data acquired from Escrow.com.**

Although it is clear domain names with content tend to be more valuable on a median price basis than those without content, the sum total value of domains without content far outstrips those with content, suggesting that the overall volume of transactions involving domain names without content is far greater than those with content.

As demonstrated in **Figure 3.5**, the total value of domain names without content in Q4 2018 surpassed US\$45 million – slightly less than the previous quarter’s tally of around US\$57 million, but still eclipsing the total sum value of domain names with content during the quarter, which came to around US\$7.1 million.

### Domain Name with Content VS Domain Name without Content

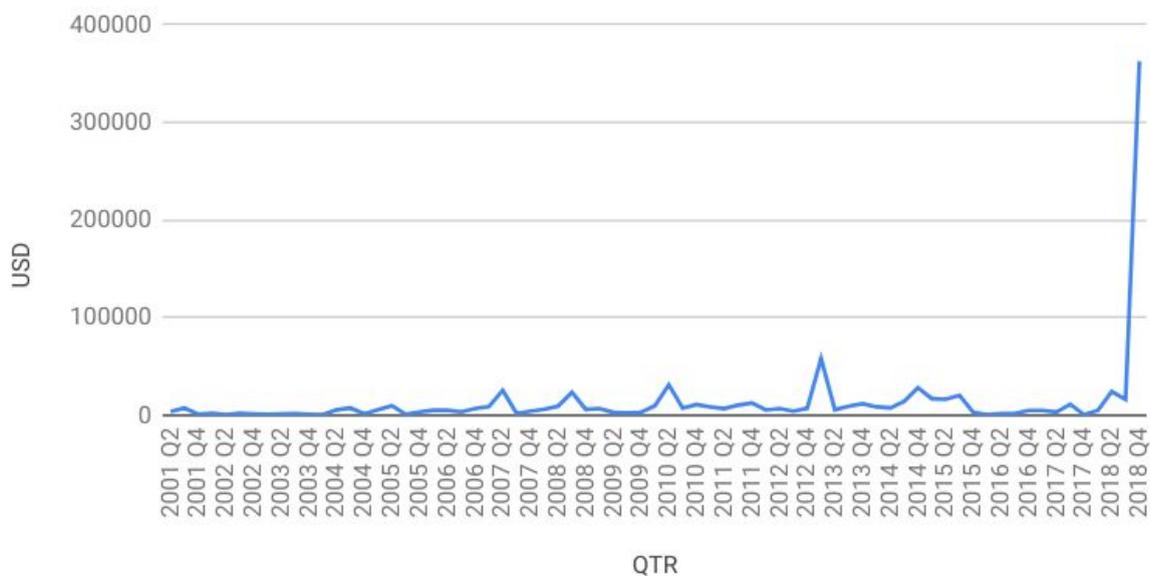


**Figure 3.5: Quarterly sum total in US Dollars of transactions for domains with and without content, compared to previous quarters over the past six years. Note: Data acquired from Escrow.com.**

#### 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 a major spike in the fourth quarter for two and three-character domains, with the median price for such domains soaring past US\$350,000. This spike followed several quarters of largely stable median quarterly prices for domain names with two and three characters.

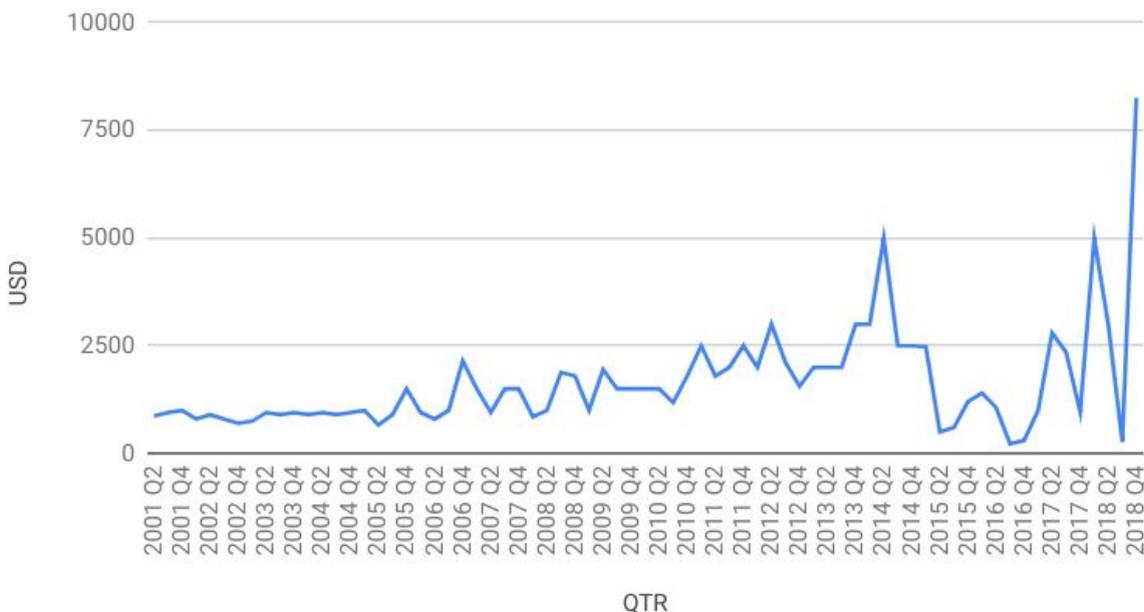
## 2 and 3 Character.com Domain Name Median Price Quarterly Graph



**Figure 3.6: Domain name median price in US Dollars for domain names with two and three characters in the three months ending December 2018, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.**

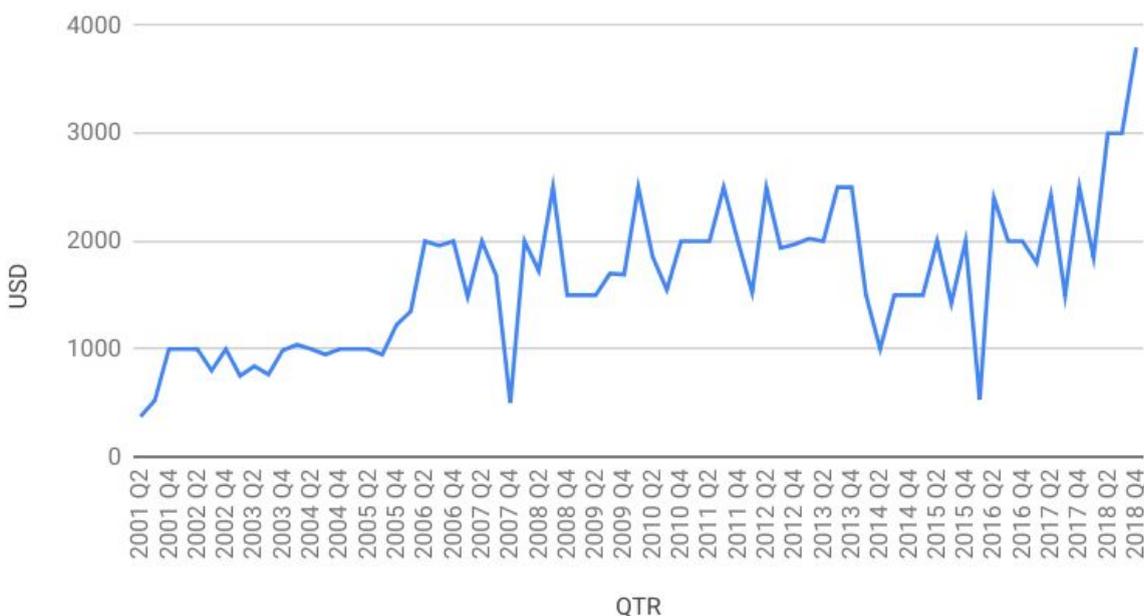
While two and three-character domain names tend to command substantially higher median prices than domain names with four, five and six characters, these longer domain names have also largely seen steady growth in median price over the past several years, as highlighted in **Figures 3.7, 3.8 and 3.9**, with Q4, 2018 showing a marked year-on-year increase.

### 4 Character.com Domain Name Median Price Quarterly Graph



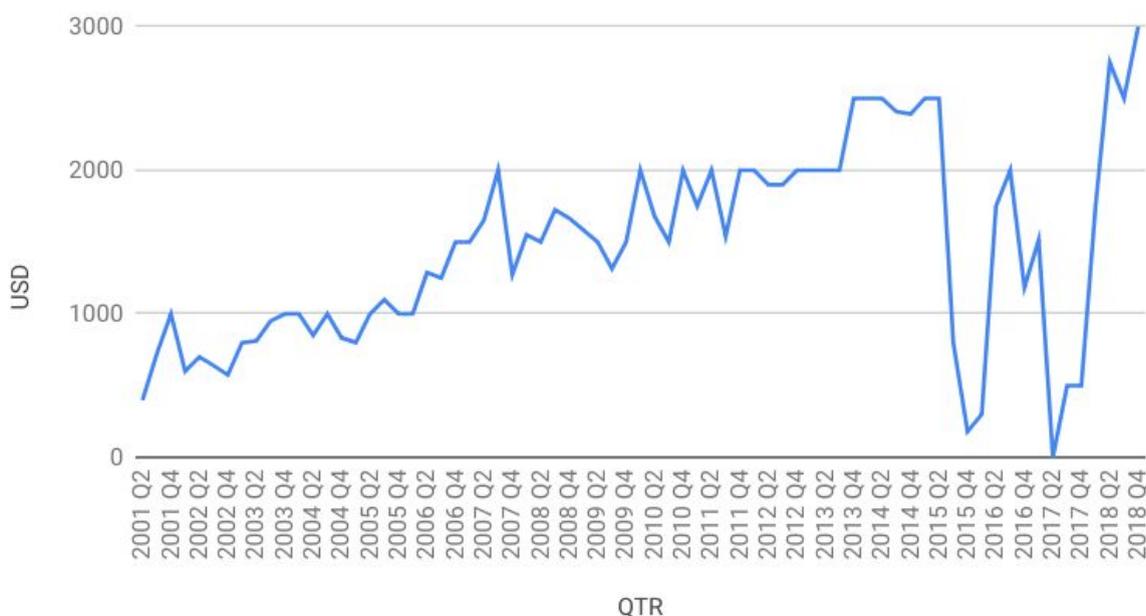
**Figure 3.7: Domain name median price in US Dollars for domain names with four characters in the three months ending December 2018, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.**

### 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 December 2018, 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

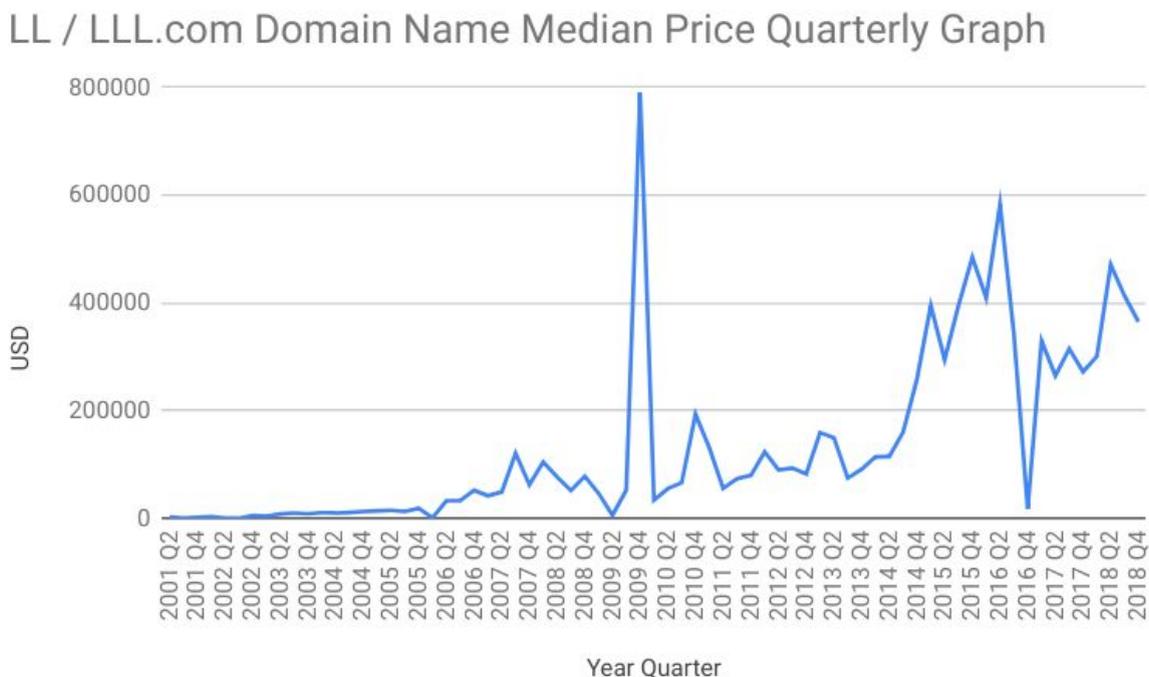


**Figure 3.9: Domain name median price in US Dollars for domain names with six characters in the three months ending December 2018, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.**

#### **Fewer letters see greater value**

Domain names with two and three letters have largely shown growth in median price value in the years since a major spike in 2009, with the fourth quarter representing a substantial lift compared to the corresponding period the year prior, if not when compared to the preceding quarter.

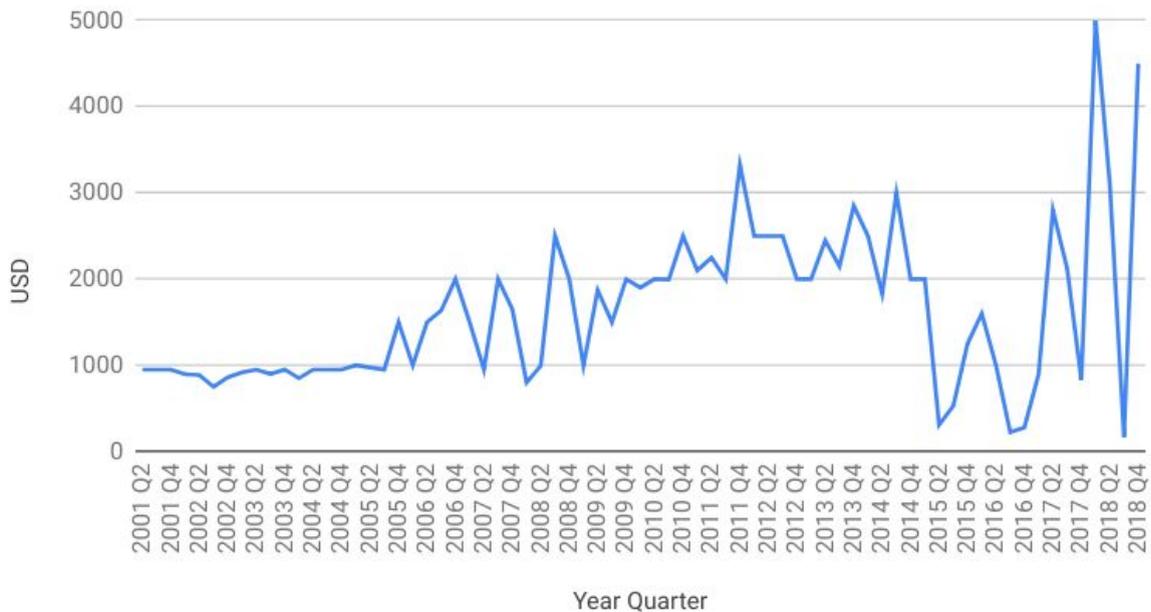
**Figure 4.0** shows the year-on-year growth in median price for two and three-letter domain names since the 2009 surge, with the exception of a fall in Q4 2017. The most recent quarter, Q4 2018, claiming a transaction value of US\$365,000, marks a slight fall from the previous quarter, which hit US\$413,000.



**Figure 4.0: Domain name median price in US Dollars for domain names with two and three letters in the three months ending December 2018, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.**

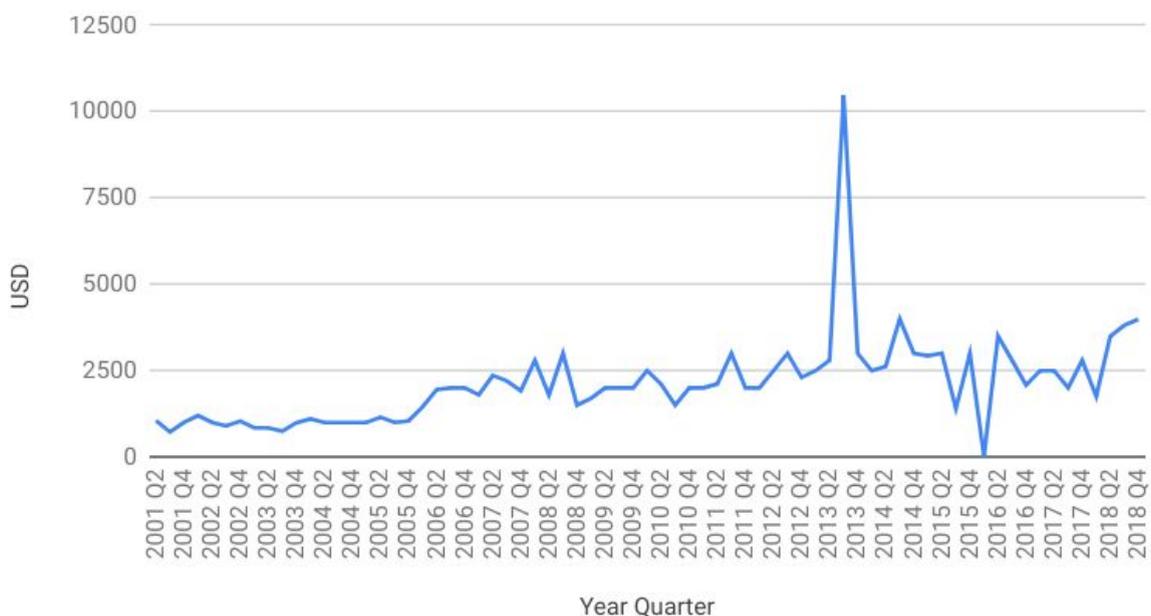
Meanwhile, the four-letter domain name category appears to be seeing some renewed growth following a steady downward trend between 2014 and 2016, as is demonstrated in **Figure 4.1**. Over the same period, **Figure 4.2** reveals that five-letter domain names have seen substantial growth over the past 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 December 2018, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.**

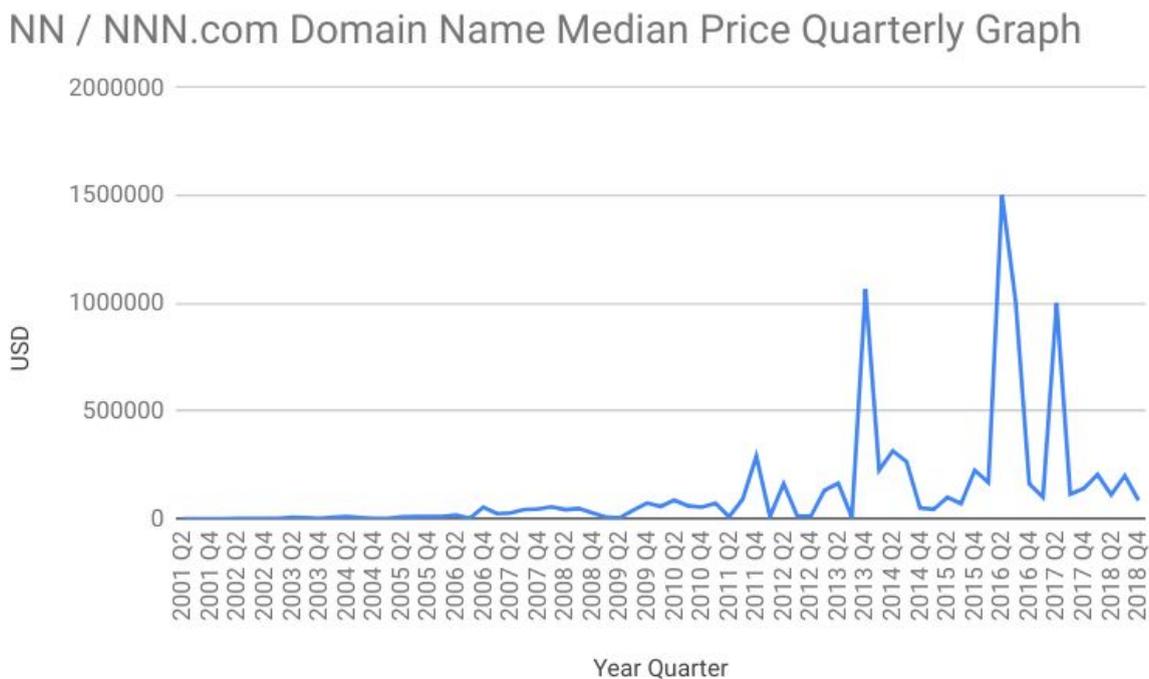
### LLLLL.com Domain Name Median Price Quarterly Graph



**Figure 4.2: Domain name median price in US Dollars for domain names with five letters in the three months ending December 2018, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.**

### **Four-number domains on the rise**

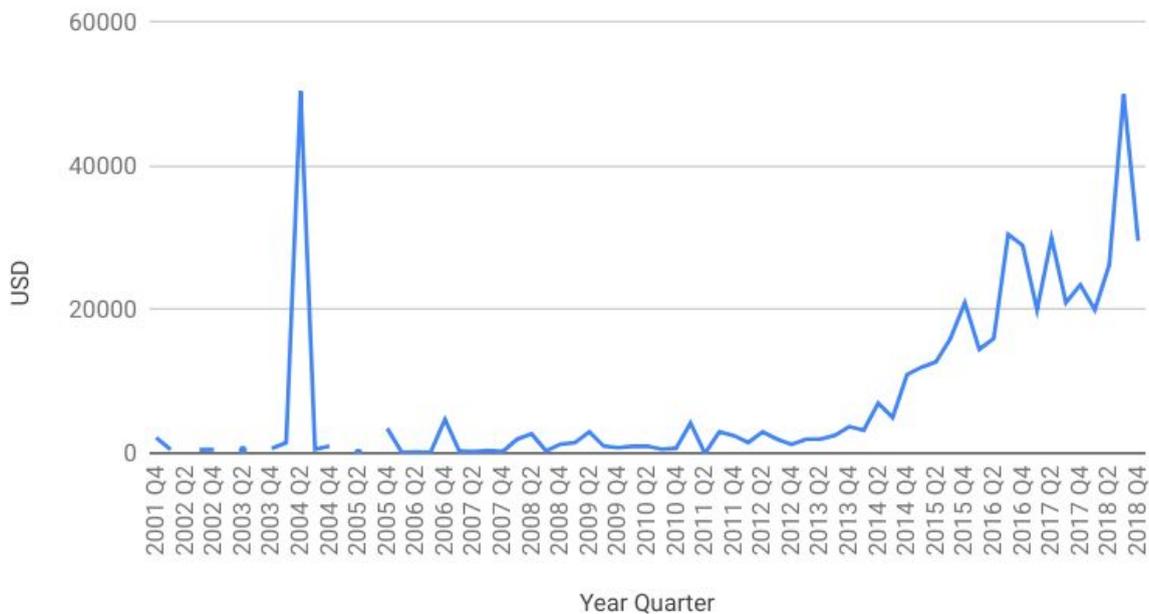
**Figure 4.3** reveals three pronounced quarterly peaks in median price for domain names with two and three numbers, with a top in 2016 of about US\$1.5 million. In Q4 2018, two and three-number domains saw a slight quarter-on-quarter dip.



**Figure 4.3: Domain name median price in US Dollars for domain names with two and three numbers in the three months ending December 2018, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.**

Although generally commanding a lower median price range than two and three-number domain names, domains with four numbers have enjoyed a largely upward trend over the past five years, as illustrated by **Figure 4.4**, with a notable drop in the fourth quarter after strong Q3 2018, which topped out at around US\$45,000.

## 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 December 2018, compared to the previous quarters over the past 17 years. Note: Data acquired from Escrow.com.**

Clearly, among the factors that lead to variance in domain name value, the number of characters, letters and numerals in a domain name can result in marked differences between the relative prices of the 'virtual real estate' that domain names represent, just as a certain suburbs and addresses can lead to sharp differences in the value of traditional real estate assets.

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\$3.9 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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