

# Liquid Domains Market Overview 4th Quarter 2018

## A STRONG FINISH FOR 4Ls

With over \$8.6M in escrow.com recorded sales, Q4 sets the record as the best quarter ever recorded for 4Ls.



## DISCLAIMER

This report is not intended to be interpreted as investment, legal or tax advice of any type. No entity or person associated with the production of this report currently holds or has the intention to hold themselves out to be a registered investment advisor or attorney. The readers of this report are responsible for performing appropriate due diligence in considerations with any action they may take as a result of this report. To the maximum extent permitted by law, the Authors, the publisher and their respective affiliates disclaim any and all liability in the event any information, commentary, analysis, opinions, advice and/or recommendations in the report prove to be inaccurate, incomplete or unreliable, or result in any investment or other losses.

The reports's commentary, analysis, opinions, advice and recommendations represent the personal and subjective views of the Authors, and are subject to change at any time without notice. This publication is not a solicitation or an offer to buy or sell any securities, domains or any other type of investment or commodity interest. References to specific domain names, extensions or any third parties is for illustrative purposes only and are not intended to be nor should be interpreted as, recommendations to buy or sell domain names.

The Authors or entities participating in the creation of this report may be affiliated with some of the third parties mentioned in this report.

## ABOUT THE DATA

Some of the information provided in this report, such as the category breakdown, trademark analysis and valuation data was derived using proprietary systems built by Intelium Corp. or its affiliates.

The domain sales data was provided by ShortNames.com. It was also generated using automated means and through the use of proprietary technology. The data is verified on the best available bases and may be subject to inconsistencies or errors that are corrected at the sole discretion of ShortNames.com.

The Escrow.com sales data is verified on the best available bases and may be subject to inconsistencies or errors that are corrected at the sole discretion of Escrow.com.

Index, ETF and all security return data was initially computed by Morningstar, Inc. and is shown in this report for display purposes only. This data is not, nor is meant to be used as, actionable investment advice; nor a direct comparison between any exchange or market traded security, or individual stock, or index and any category of domain names. We cannot guarantee the accuracy of any such data, as it is maintained by a third party and may be subject to errors, or unavailability. Morningstar, Inc. did not participate in the creation of this report and reserves all intellectual property rights in regard to its own materials or data.

Any information requests should be directed to [g@ggrg.com](mailto:g@ggrg.com). Please put Quarterly Industry Report in the header of the email.

## GLOSSARY OF TERMS

**Chinese Premium** - any domain that does not contain the letters A,E,I,O,U,V.

**Development Index** - Percentage of the domain category that has been developed into website.

**Development/Developed** - a classification of a particular domain that was developed into a website. Intelium uses proprietary methodology to determine whether a domain name is developed.

**EstiBot** - EstiBot.com is a domain analytics platform that focuses on domain valuations and providing its users with tools to buy or sell their inventory.

**EstiBot Valuation** - a statistical, fair market valuation of a domain name. As a rule, strong trademarks are assigned a fair market valuation of \$0, as the domain name does not have value without corresponding IP rights. These types of domains cannot be effectively resold in the markets as a stand alone asset and their valuations stem strictly from the attached trademark, or IP value.

**EstiBot Valuation Market Cap** - Sum of all EstiBot valuations for a particular domain name category.

**Liquid Domains** - Specific types of domain categories that are actively traded on the major marketplaces. These include LL/LLL/LLLL dot coms; NN/NNN/NNNN/NNNNN dot coms; as well as the NL/LN and 3C dot com domains.

**5th Percentile** - the 5th percentile is the value at two standard deviations below the mean sales price. It is a representation of a reasonable category price floor in any given time period. For example, consider a scenario of only 100 reported sales where the highest sale is \$100,000 and the lowest is \$1,000. If each reported sale is sequenced in \$1,000 increments (i.e. \$1,000, \$2,000, \$3,000 and so on), then the 5th percentile will be the 5th lowest sale at \$5,000.

**Registrar** - an entity that manages the reservation, transfers, and upkeep of registrant data.

**Registrant** - an individual or entity that registered a particular domain name.

**Registry** - An entity that manages the database of all domain names and related registrant information relating to a specific TLD. The registry takes on the technical functions of ensuring that the domains in their respective TLD resolve. As an example, VeriSign is the Registry of the .com TLD.

**TLD** - top level domain. This is extension part of a domain name. The most popular TLD by registrations is the .com.

**Turnover** - The percentage of the domain name category that is bought or sold in markets in a particular period of time.for domain names.

# Executive Summary

## DEVELOPMENT INDEX AND OWNERSHIP DATA

2018 ended with a reversal of trends from Q2 and Q3, with China gaining about 22,500 domains (+3.67%) and controlling about 1/3 of all the liquid domains, especially numerics. Once again, the largest movement in ownership came from domains going from public to private. Private domains now represent 38% of all liquid domains. This is a continued trend from the inception of GDPR in Q2, which caused the number of liquid domains under privacy to almost double in less than one year. 2Ns and 3Ns have the most private registrations with over 50% of each category having masked whois data. We can again observe a correlation between average domain value and number of domains under privacy. The US controls 17% of the liquid domains, while Europe and the rest of the world excluding China, account for 10% combined.

Once again, the most developed categories are 2Ls, followed by 3Ls and 2Cs. The least developed categories are numeric domains led by the 5Ns, followed by 4Ns and the 3Ns.

## SALES DATA

4Ls .com domains registered a record \$8.6M in escrow.com transactions, by far the best result since the publication of this report. The second largest escrow.com domain sales volume belongs to the 3Ls, with almost \$5M in transactions; followed by the 4Ns which registered one of their strongest quarters with \$2.7M in escrow.com sales. There was no escrow.com data available for 2Ls, 2Ns, 2Cs, and 3Ns, but ShortNames records a disclosed 2 letter .com transaction at \$700,000. ShortNames also shows \$1M in public 5N transactions, consistent with 2018 sales volumes.

The 5th percentile values continue to show single and double digits losses. 5Ns saw the worst performance at -11.63%, followed by the 3Ls at -10.62%. 3Cs also record a significant loss at -7.53%. The notable exception was the 4Ls which appear to have bottomed in the prior quarter. The category registered a 12.37% 5th percentile increase, effectively bouncing back from the \$100 support level (last quarter the value was \$97) and reaching the \$109 5th percentile level over 1,800 disclosed transactions. Median prices do not show any significant variation, with the notable exception of 3Cs which show a 61% increase.

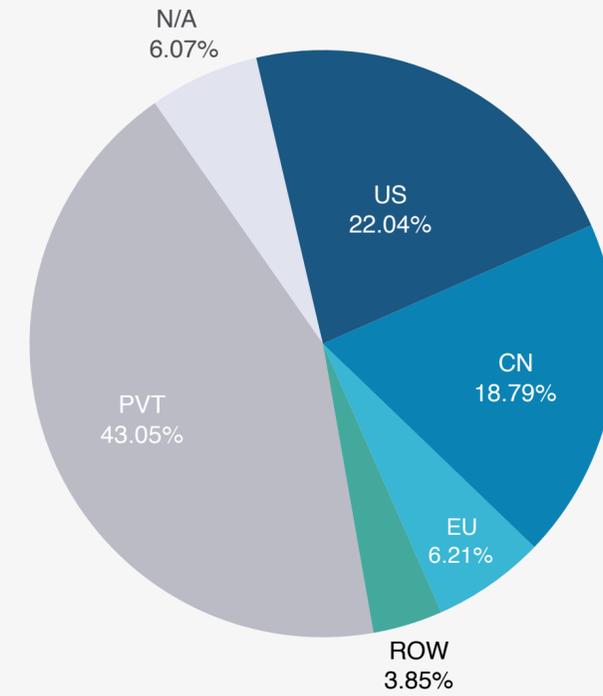
## FORECAST

Q1 is normally a slow quarter for Liquid Domains due to the reduced activity from China caused by the Chinese New Year. Unless there are large end user transactions, we forecast a slow beginning to 2019. It will be interesting to observe whether the 4 letter's 5th percentile values will stay above the \$100 support or whether they will continue the general declining trend of other liquid categories.

2L .com

## LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world
- PVT - Private Registrations
- N/A



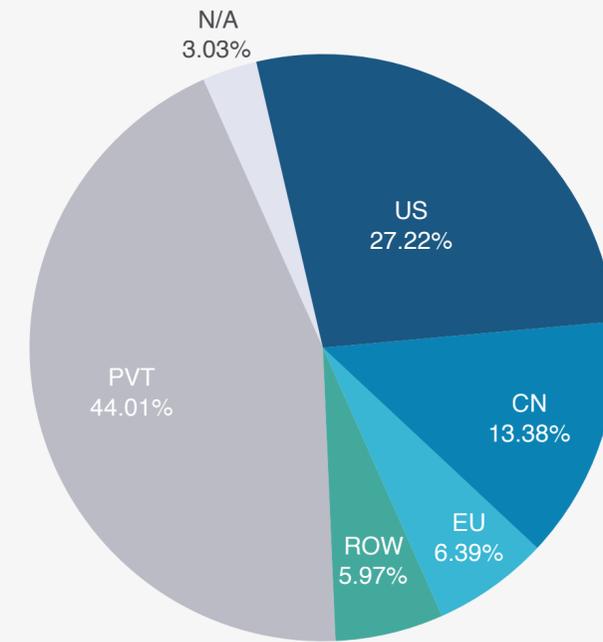
## DATA

Total#	676
Development %	29.53%
EstiBot Market Cap	\$1.46 billion
Turnover	0.15%
Public sales volume	\$700,000.00
Escrow.com sales volume	n/a
5th Percentile	n/a
QoQ 5th percentile	n/a

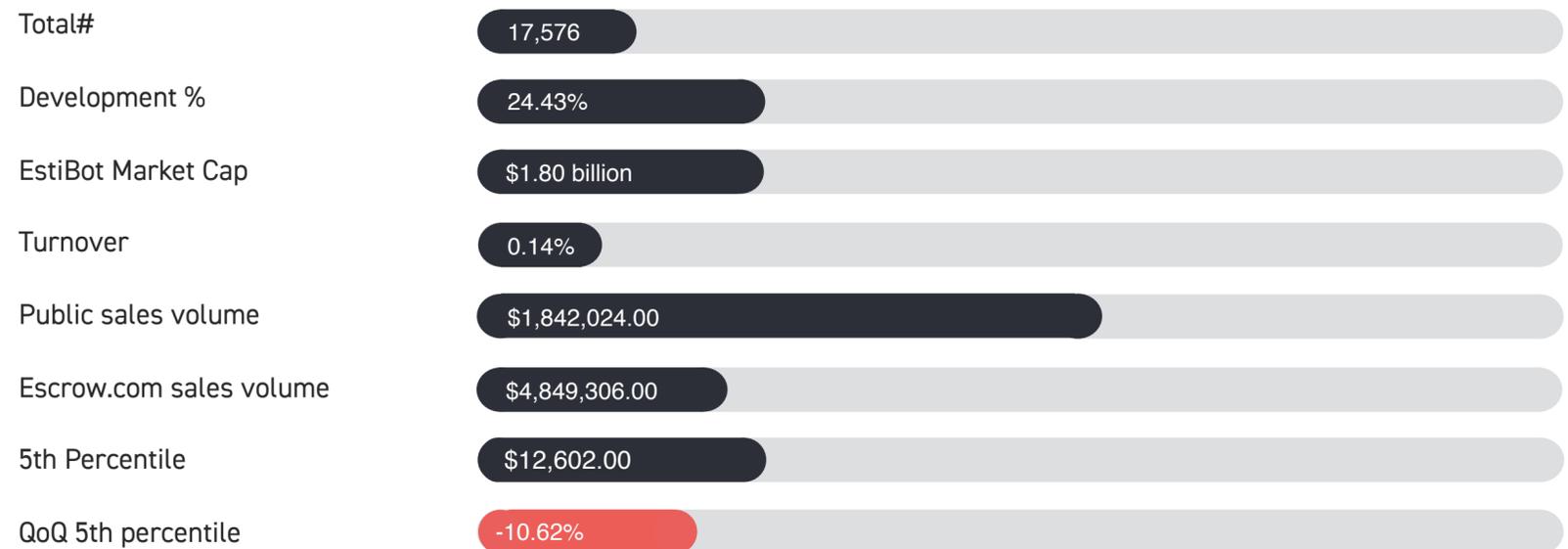
3L .com

## LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world
- PVT - Private Registrations
- N/A



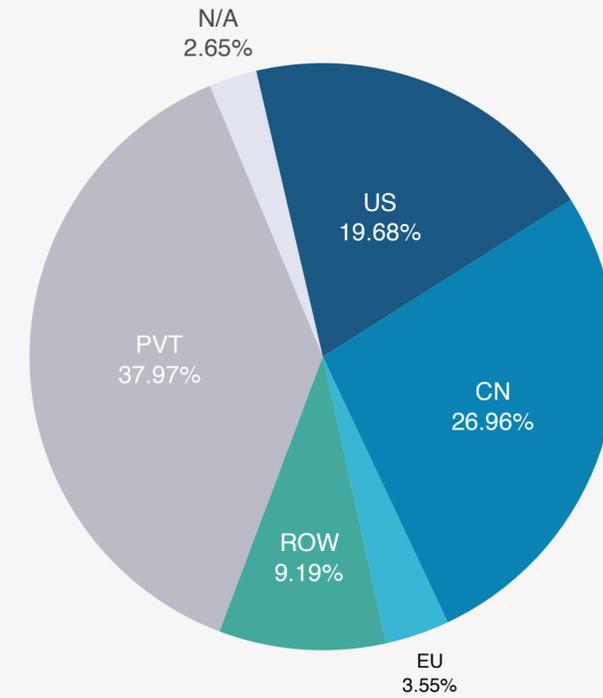
## DATA



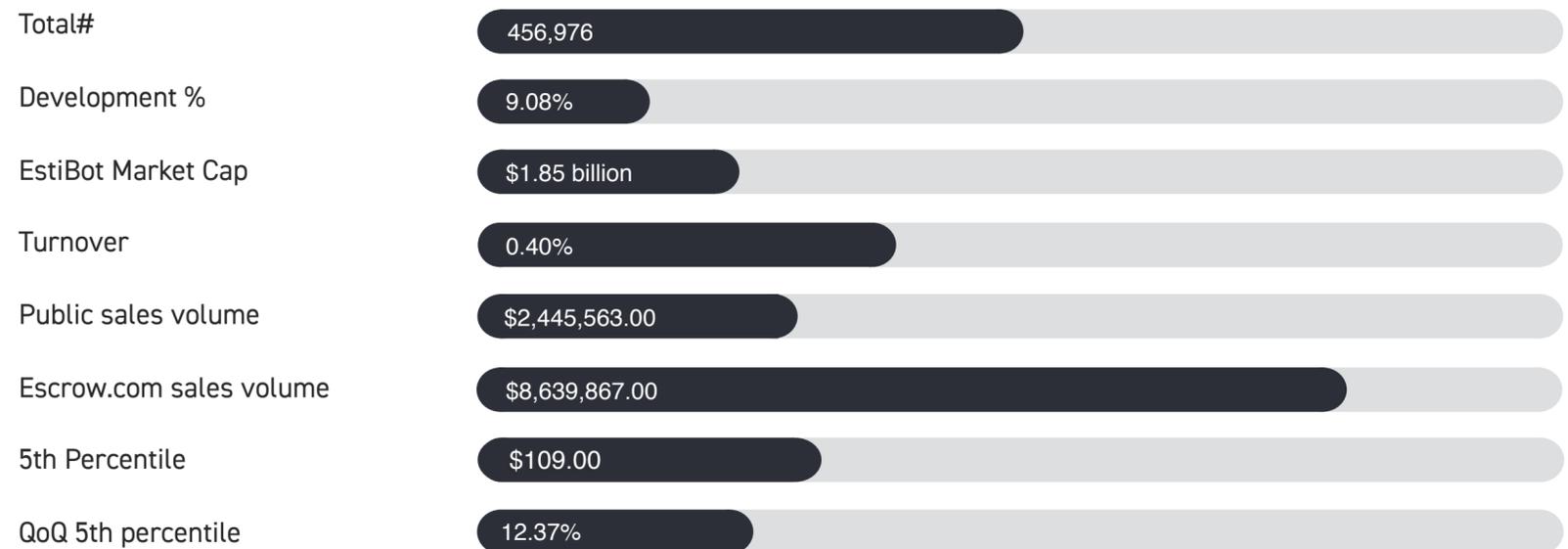
# 4L .com

## LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world
- PVT - Private Registrations
- N/A



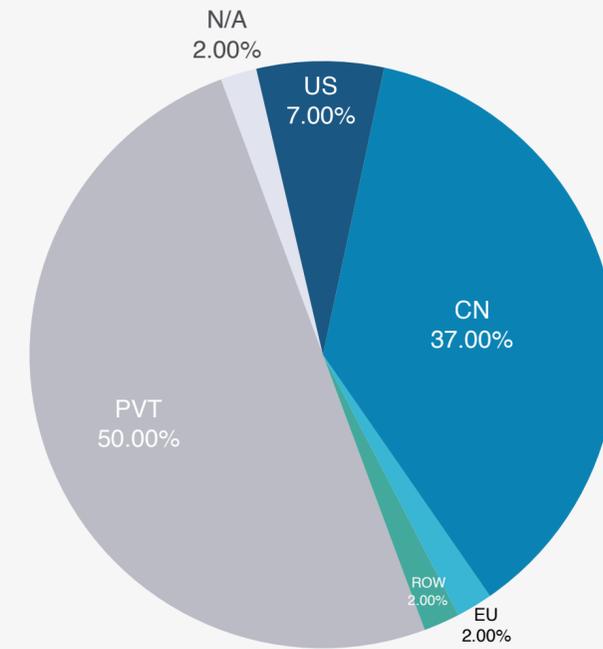
## DATA



2N .com

## LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world
- PVT - Private Registrations
- N/A



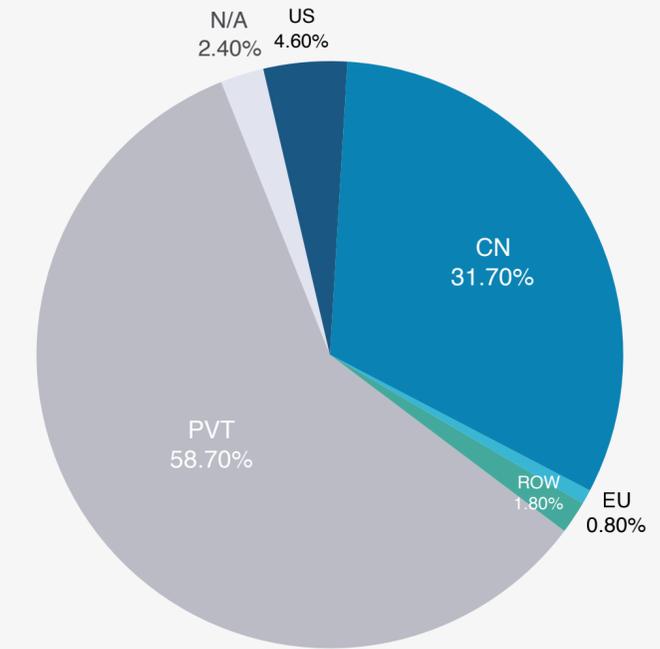
## DATA

Total#	100
Development %	10.39%
EstiBot Market Cap	\$159.5 million
Turnover	0.00%
Public sales volume	n/a%
Escrow.com sales volume	n/a
5th Percentile	n/a
QoQ 5th percentile	n/a

# 3N .com

## LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world
- PVT - Private Registrations
- N/A



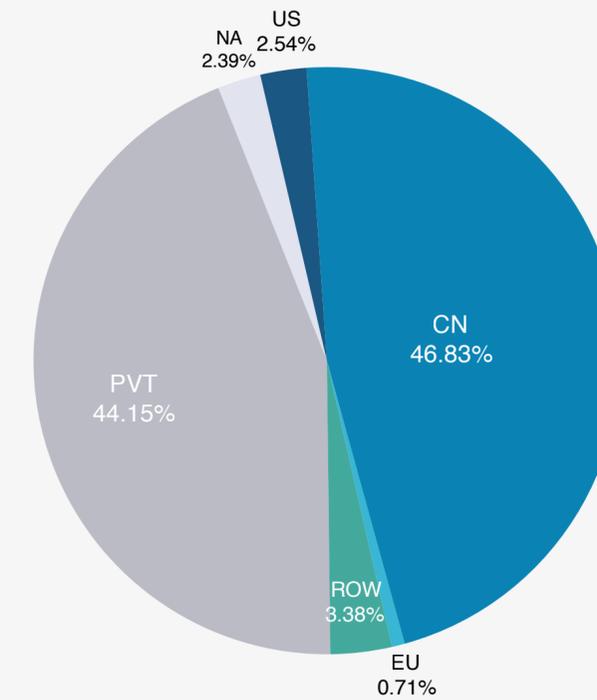
## DATA

Total#	1,000
Development %	6.12%
EstiBot Market Cap	\$306.2 million
Turnover	0.10%
Public sales volume	\$147,000.00
Escrow.com sales volume	n/a
5th Percentile	n/a
QoQ 5th percentile	n/a

# 4N .com

## LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world
- PVT - Private Registrations
- N/A



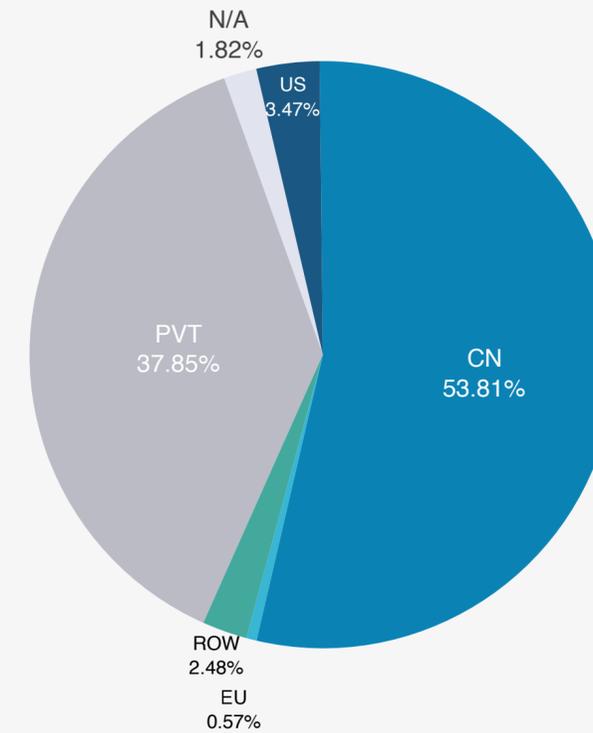
## DATA

Total#	10,000
Development %	3.77%
EstiBot Market Cap	\$445.3 million
Turnover	0.06%
Public sales volume	\$198,540.00
Escrow.com sales volume	\$2,669,113.00
5th Percentile	n/a
QoQ 5th percentile	n/a

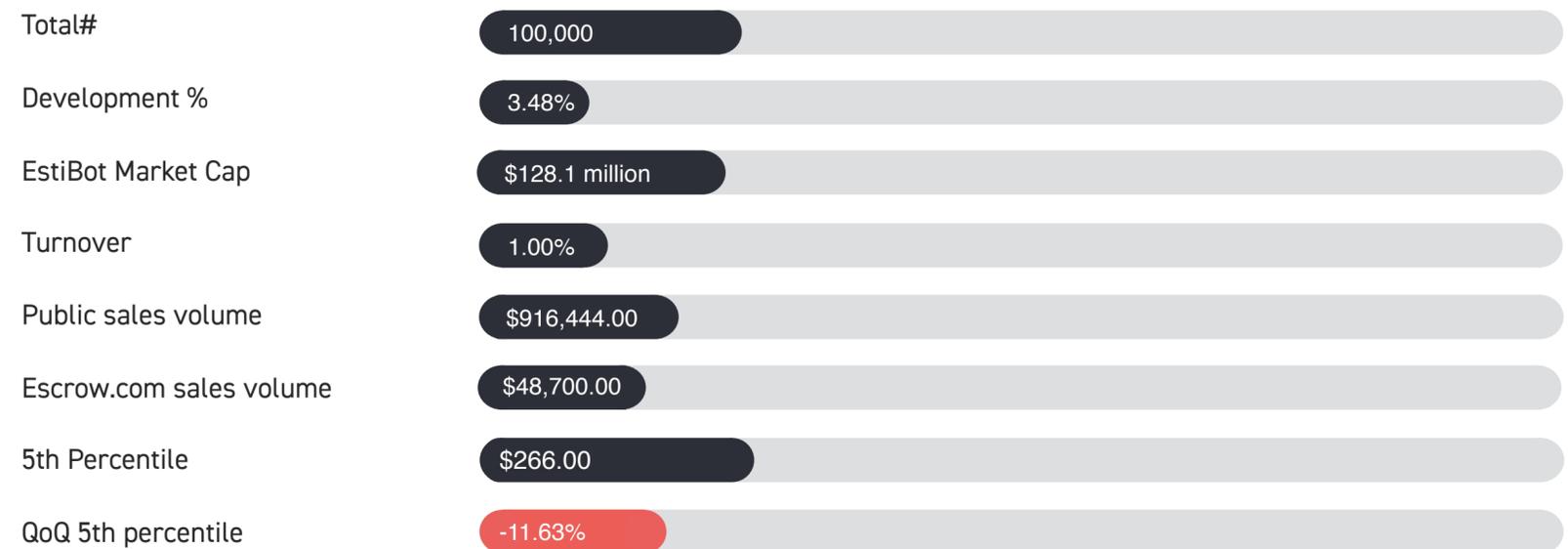
# 5N .com

## LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world
- PVT - Private Registrations
- N/A



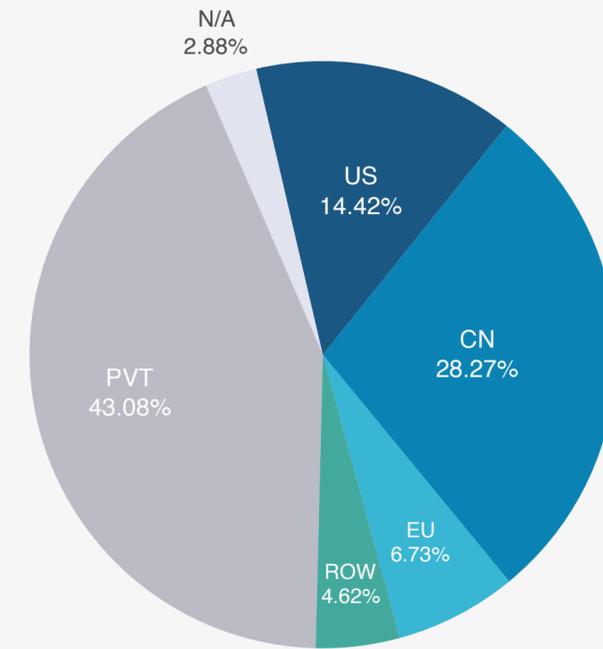
## DATA



2C .com

## LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world
- PVT - Private Registrations
- N/A



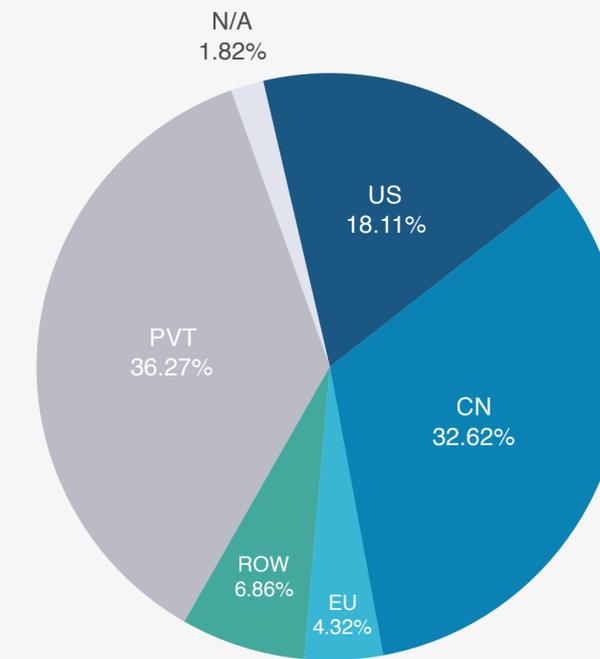
## DATA

Total#	520
Development %	21.72%
EstiBot Market Cap	\$44.4 million
Turnover	0.77%
Public sales volume	\$319,569.00
Escrow.com sales volume	n/a
5th Percentile	n/a
QoQ 5th percentile	n/a

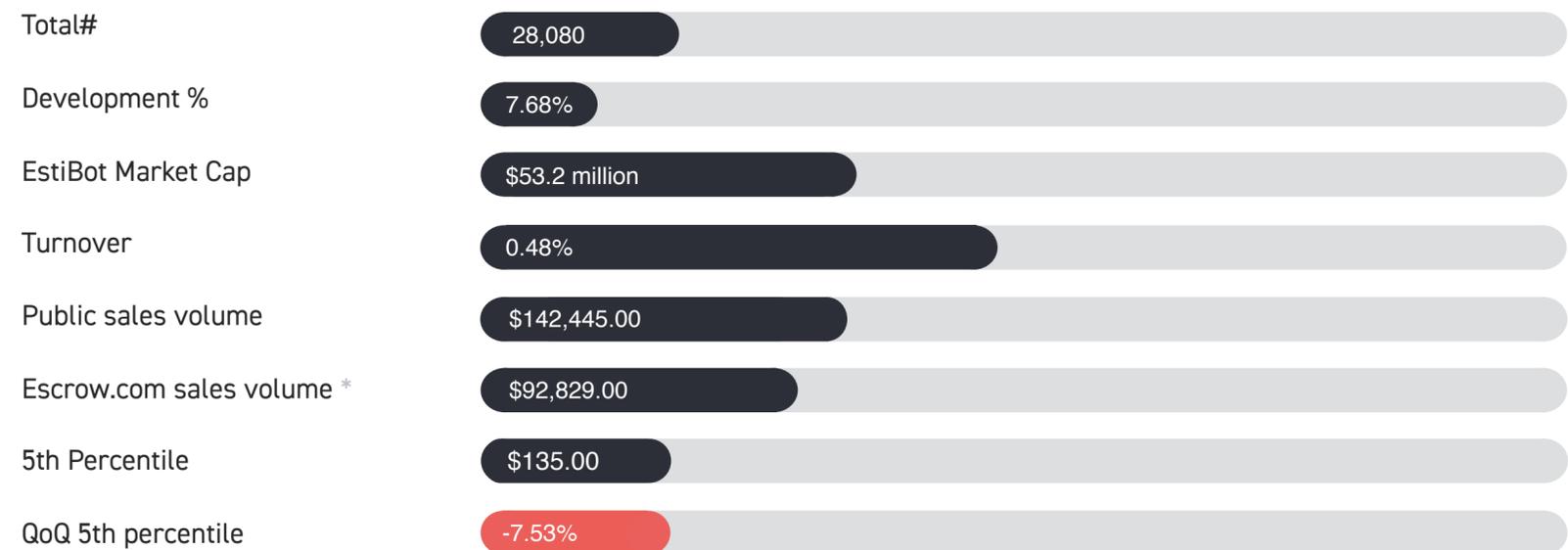
# 3C .com

## LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world
- PVT - Private Registrations
- N/A

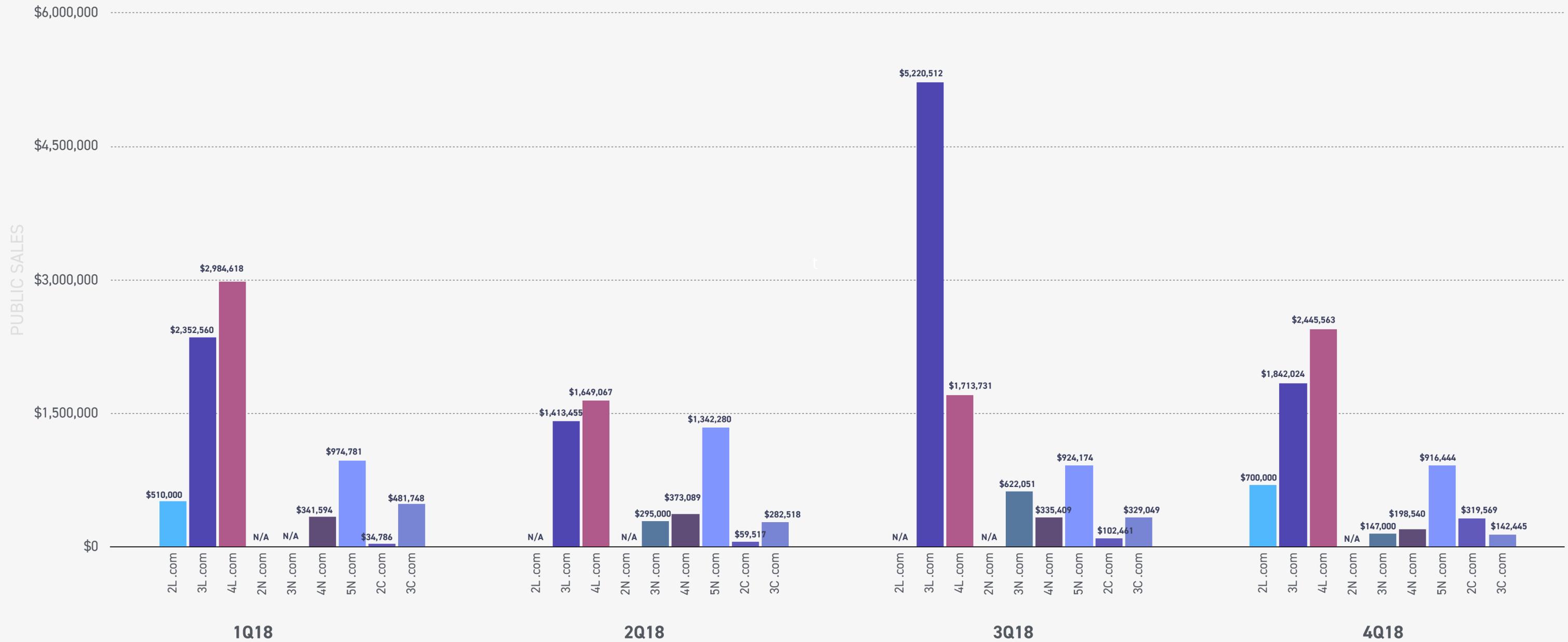


## DATA

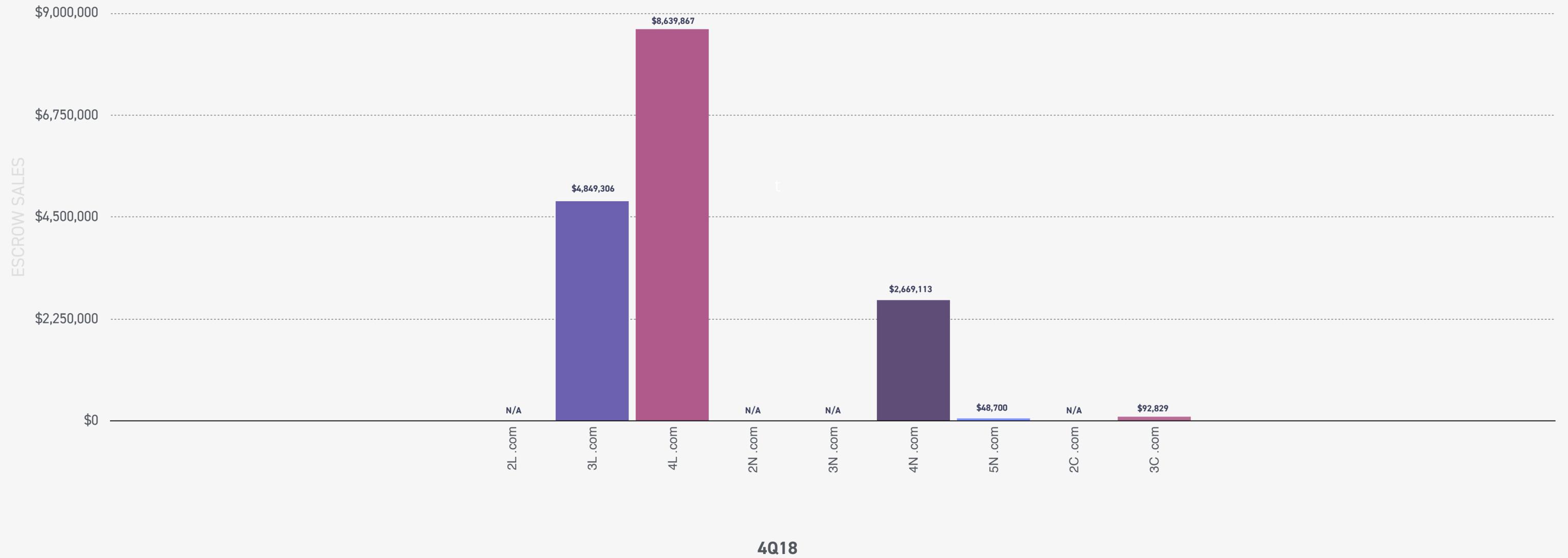


\*Due to a reporting error, the 2017 Escrow.com sales data for the 3C .com category might have been lower than previously reported.

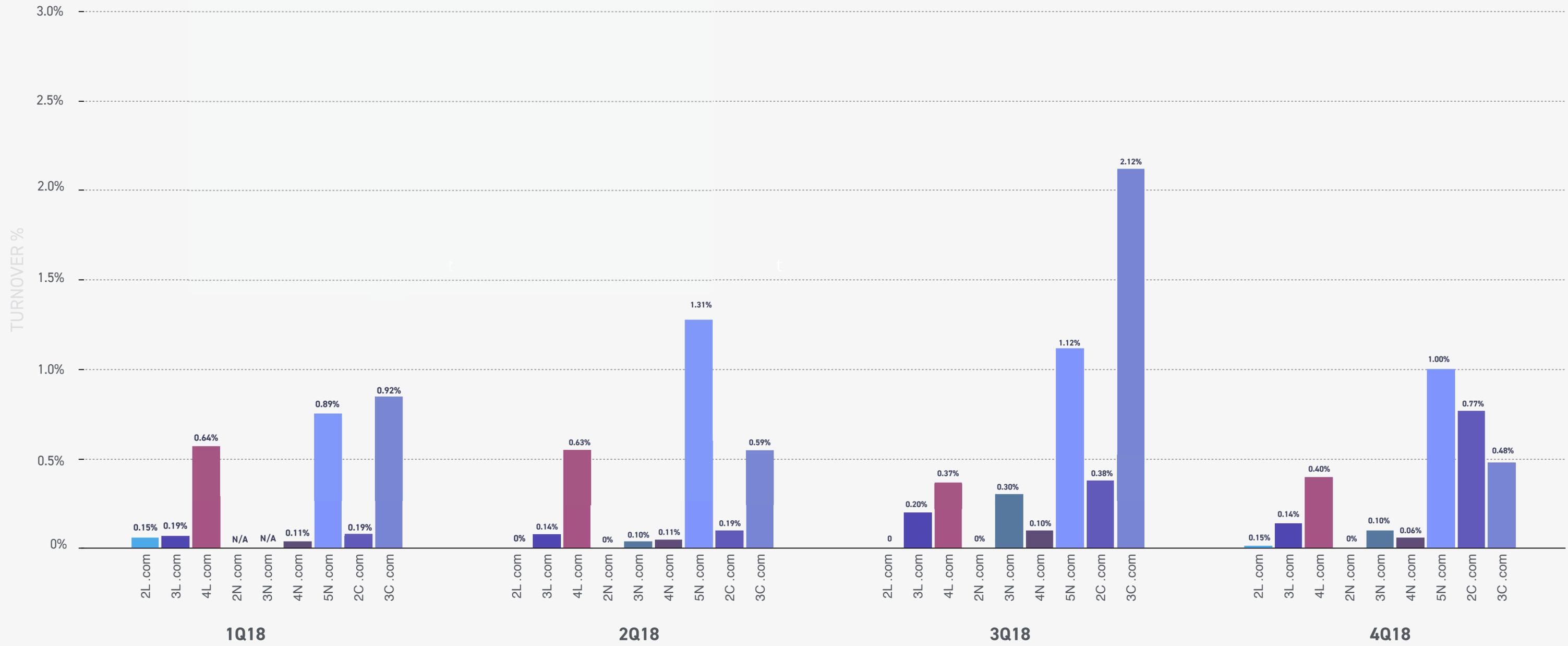
# TRAILING 12 MO ENDING 4Q2018 - PUBLIC SALES



## 4Q2018 - ESCROW SALES

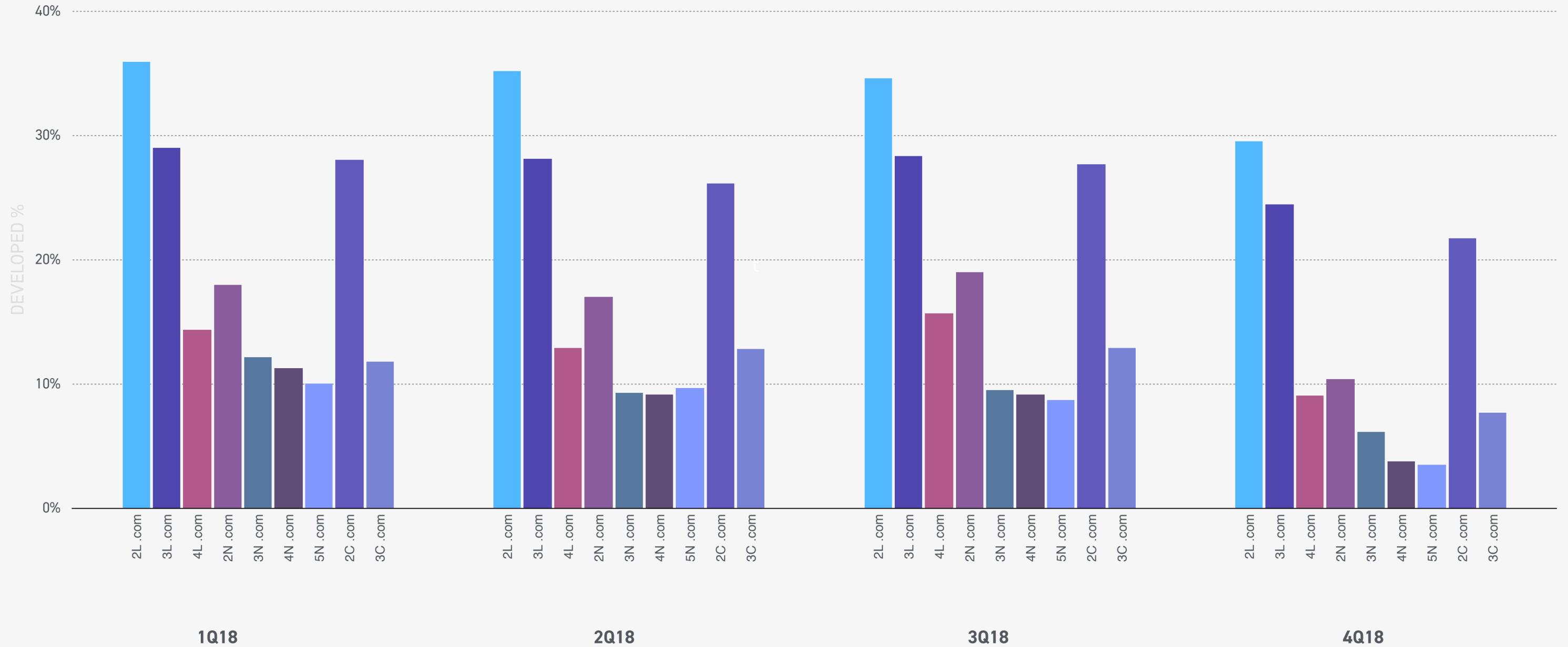


# TRAILING 12 MO ENDING 4Q2018 - TURNOVER



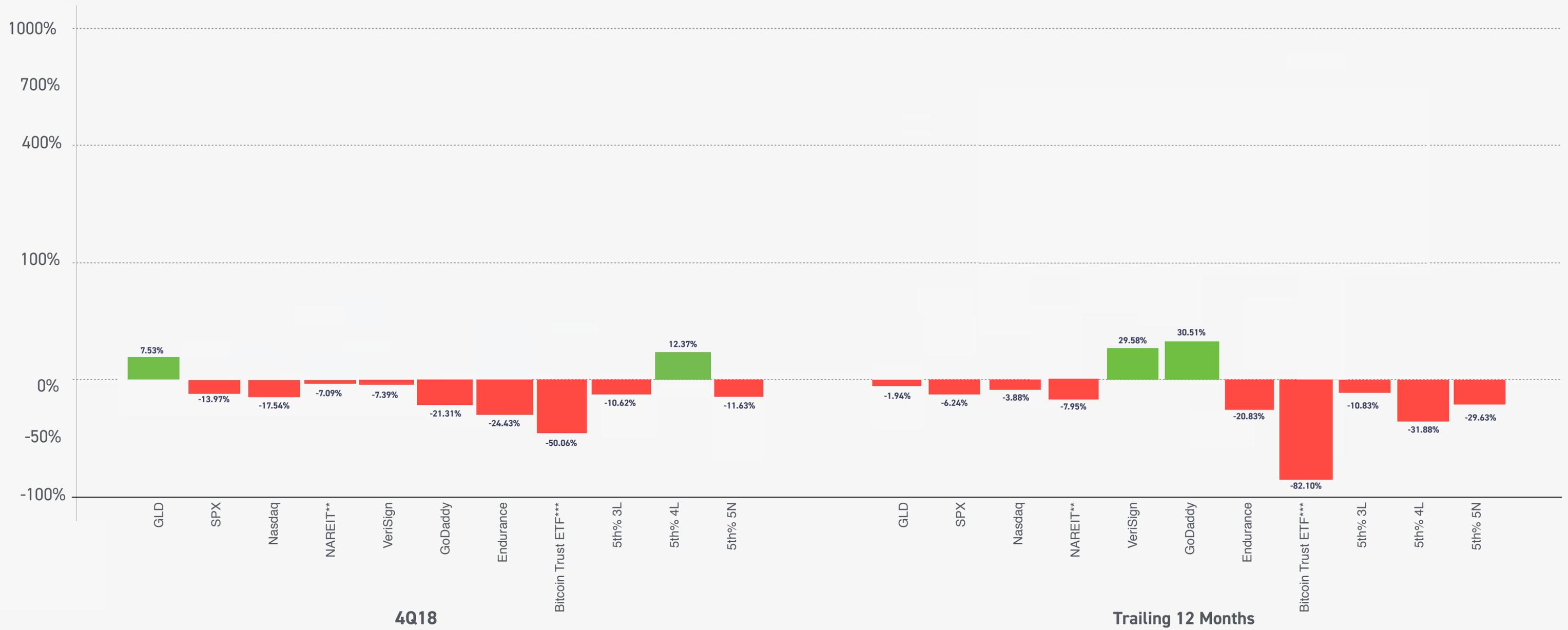
\* Turnover based on publicly disclosed sales data

# TRAILING 12 MO ENDING 4Q2018 - DEVELOPMENT



# GLOBAL ASSET MARKETS ENDING 12/31/2018

\*Data from MorningStar  
 \*\*FTSE NAREIT ALL Equity REITs PR  
 \*\*\*GBTC - Grayscale Bitcoin Trust



Index, ETF and all security return data was initially computed by Morningstar, Inc. and is shown in this report for display purposes only. This data is not, nor is meant to be used as, actionable investment advice; nor a direct comparison between any exchange or market traded security, or individual stock, or index and any category of domain names. We cannot guarantee the accuracy of any such data, as it is maintained by a third party and may be subject to errors, or unavailability. Morningstar, Inc. did not participate in the creation of this report and reserves all intellectual property rights in regard to its own materials or data.



Intelium is the premier supplier of domain name analytics. We specialize in creating powerful software and service solutions for the domain name industry.

Over the past 10 years, our products have been used by hundreds of thousands of satisfied customers across the world. We have built a reputation for providing the highest quality of software and customer service.

We also specialize in gathering and analyzing raw internet data, and converting that data into useful intelligence. Our data is routinely used by domain investors, public and private sector organizations, as well as government agencies to make key decisions.

Software is not just our business, it is also our passion. We strive to continuously improve the software and services we provide to our customers.



GGRG.com is a Lisbon based Brokerage and Consulting firm which focuses on the 29,872 .com domain names defined as "liquid" (NN, NNN, NNNN, LL, LLL, LN & NL). Founded in 2015 with the vision of making the domain after-market efficient, we provide unbiased advice and market intelligence that allows investors to make informed decisions.

With millions of dollars in privately brokered transactions and clients that range from private investors to billion dollar companies, GGRG.com quickly established itself as a leading firm in the domain space, and received award nominations for Blogger of the Year and Goodwill Ambassador in 2015, and Broker of the Year in 2016.



ShortNames aggregates and tracks short domain name auctions and sales across a multitude of domain marketplaces. We provide tools and powerful search features to help domain investors track and monitor domains and categories of interest.

We have been tracking the domain aftermarket since early 2008, with a focus on short domains. Most sales we track are collected from the closing price of public auctions, as well as some private sales that are reported to us by certain venues. We cannot guarantee that all reported sales were completed successfully, but we do our best to remove any inaccurate data.

The goal of the site is to provide an aggregated overview of the short domain market, and to offer tools to those who invest in it.



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 billion in transactions.

Founded in 1999, Escrow.com reduces the risk of fraud in the domains industry by acting as a trusted third party that collects, holds and disburses funds according to buyer and seller instructions.