

## Liquid Domains Market Overview 3rd Quarter 2018

### A STRONG QUARTER FOR 3 LETTER .COM DOMAINS

One the worst quarters for 5th percentile values, 3 Letter .coms were the most traded category with over \$11M in Escrow.com sales.





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# 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.

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# 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

The overall development index increased by 1.9%, with significant gains for 2 number and 4 letter .com categories. The most developed categories remain the 2Ls at 34.6%, followed by the 3Ls and 2Cs, both around 28%. With the exception of the 2Ns, the numeric domain categories maintain a development index under 10%. China remains the king of liquid domains, with a 26.4% market share, followed by the US (21.9%), which gained 2% in Q3. Contrary to the previous trend, we noted a negative variation in domains owned by Chinese registrants for the second consecutive quarter. The rest of the world and Europe also lost market share at 11% and 3.2%, which could be attributed to GDPR coming into further effect. As a result, private registrations now constitute over 30.7% of all liquid domains, which is nearly a 50% increase since the second quarter of 2018. The 3Ns and 5Ns are the categories with the highest percentage of domains under privacy, with 62% and 58% respectively.

## SALES DATA

In Q3 the total volume of disclosed sales almost doubled from \$5.4M to \$9.2M. We also registered a 50% increase in the volume of escrow.com sales, which jumped from \$12M to \$16.7M. According to escrow.com, the most traded category were the 3L .com domains, with \$11.4M in sales, followed by the 4Ls (\$3.2M) and the 3Ns (\$1.1M). According to ShortNames.com, the disclosed volumes for these categories showed a similar pattern with \$5.2M for 3Ls, \$1.7M for the 4Ls and almost \$1M in 5Ns. Even in Q3, the most traded categories for the number of transactions were the 4Ls (1,713), the 5Ns (1,116) and the 3Cs (596), which registered a record turnover of 2.1%. The positive numbers in terms of volume are in stark contrast with the continued decline across the board in 5th percentile values, which recorded the worst quarter since the inception of our report. 5Ns and 3Cs lost 38%, 4Ls lost 28%. The only stable category were the 3Ls, which registered a modest loss of -2.8%.

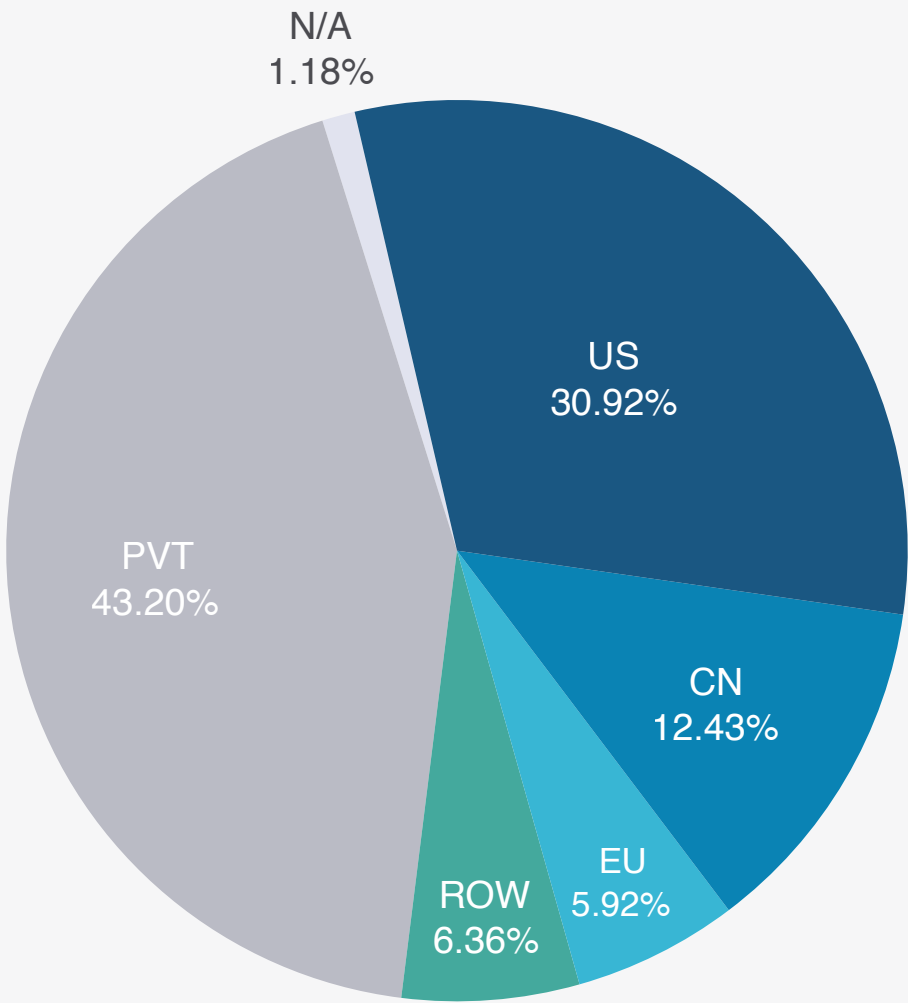
## FORECAST

The copious inventory released to the market on Q3 had a positive impact on the sales volume but quite a negative impact on the floor prices, which, with the exception of 3Ls, registered significant double digit losses. The challenge for the last quarter of the year, which is typically a strong quarter for end-user activity, will be if the Western market manages to absorb the inventory being released for sale in China. Strong end user transaction might keep afloat the most developed categories, however, a potential increase in .com registration prices, to be decided in November, might have a negative long-term impact on the market. Caution is advised.

2L .com

LEGEND

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



DATA

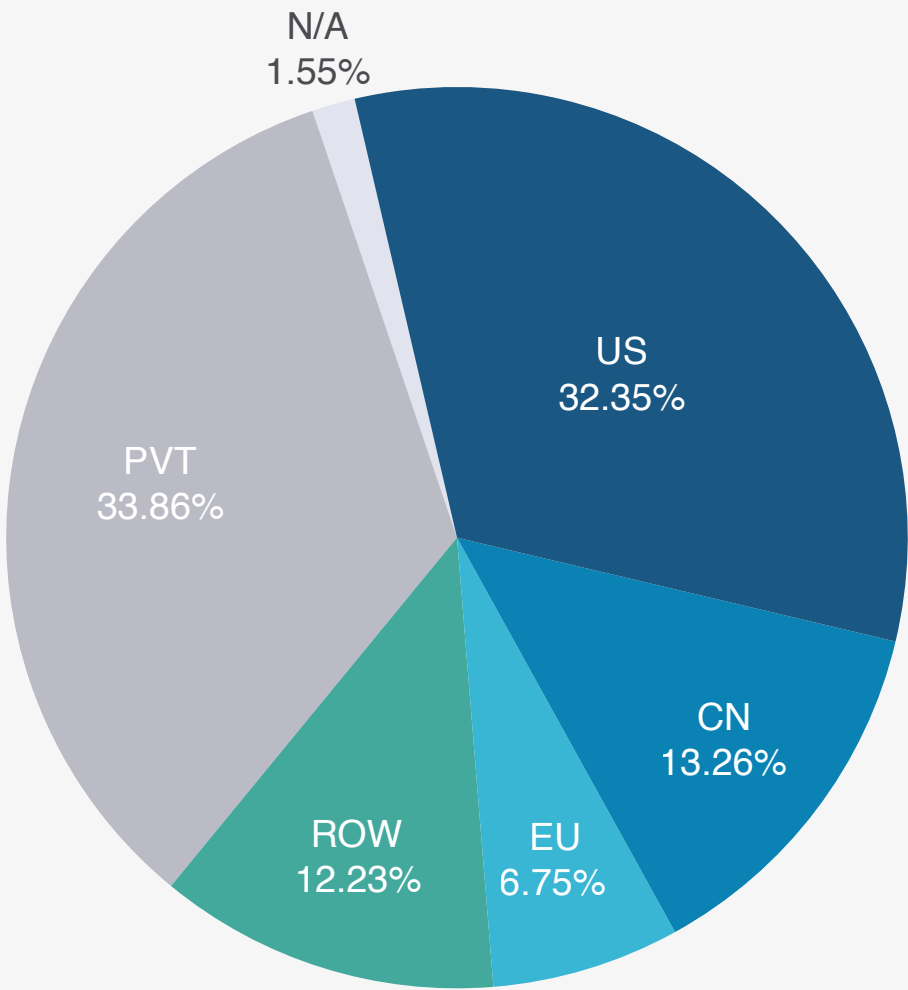
Total#	676
Development %	34.62%
EstiBot Market Cap	\$1.46 billion
Turnover	0%
Public sales volume	n/a
Escrow.com sales volume	n/a
5th Percentile	n/a
QoQ 5th percentile	n/a



3L .com

LEGEND

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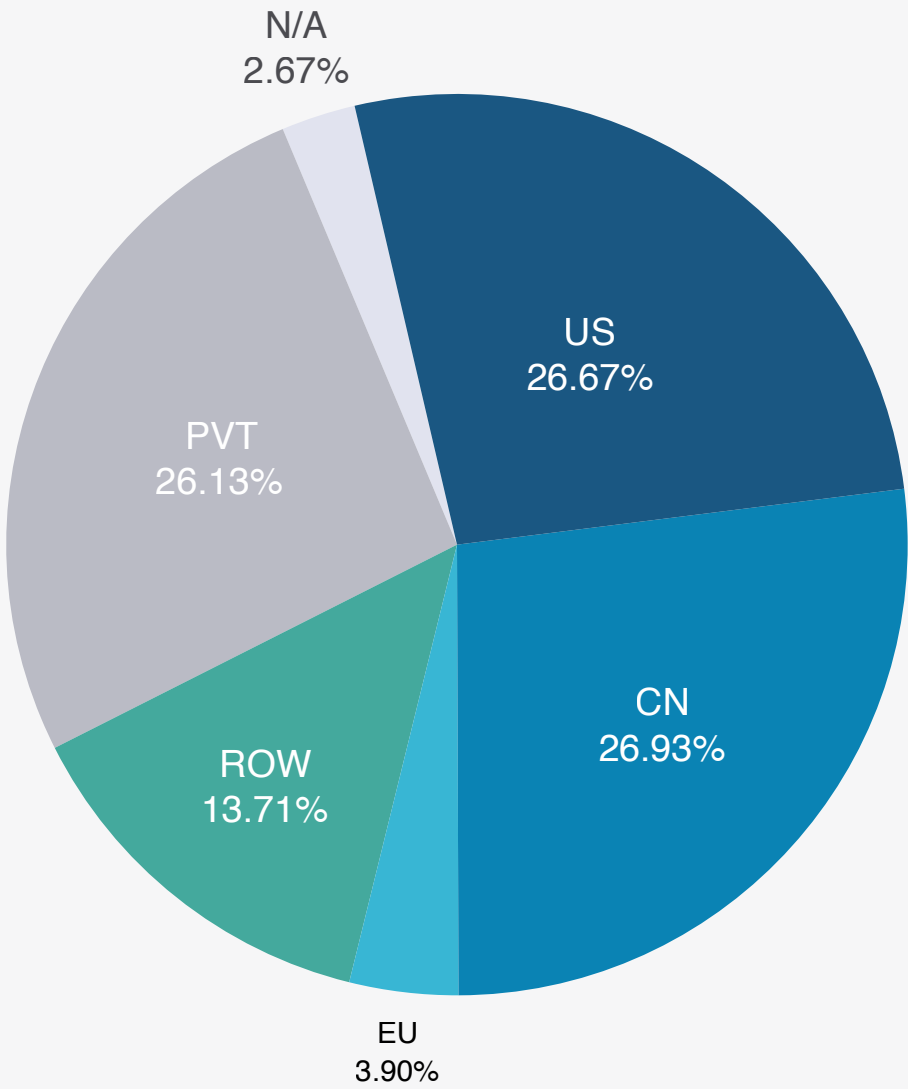
DATA

Total#	17,576
Development %	28.39%
EstiBot Market Cap	\$1.79 billion
Turnover	0.20%
Public sales volume	\$5,220,512.00
Escrow.com sales volume	\$11,402,030.00
5th Percentile	\$14,100.00
QoQ 5th percentile	-2.76%

4L .com

LEGEND

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- N/A

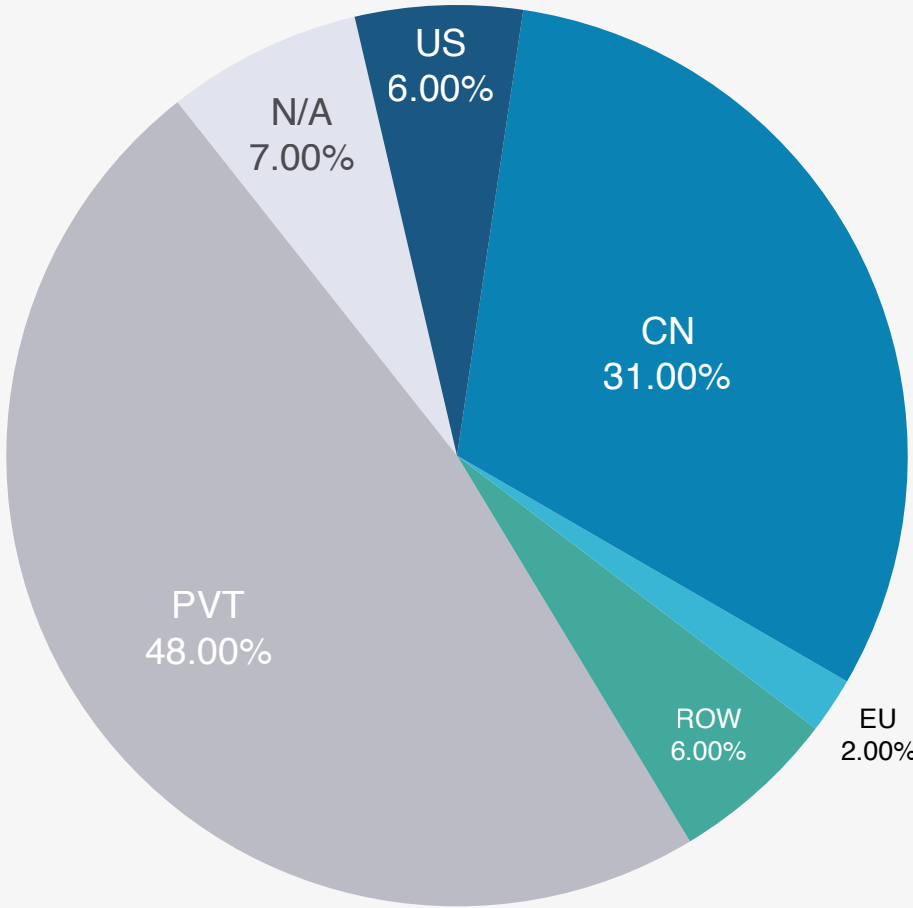


DATA

Total#	456,976
Development %	15.72%
EstiBot Market Cap	\$1.82 billion
Turnover	0.37%
Public sales volume	\$1,713,731.00
Escrow.com sales volume	\$3,231,317.00
5th Percentile	\$97.00
QoQ 5th percentile	-28.15%

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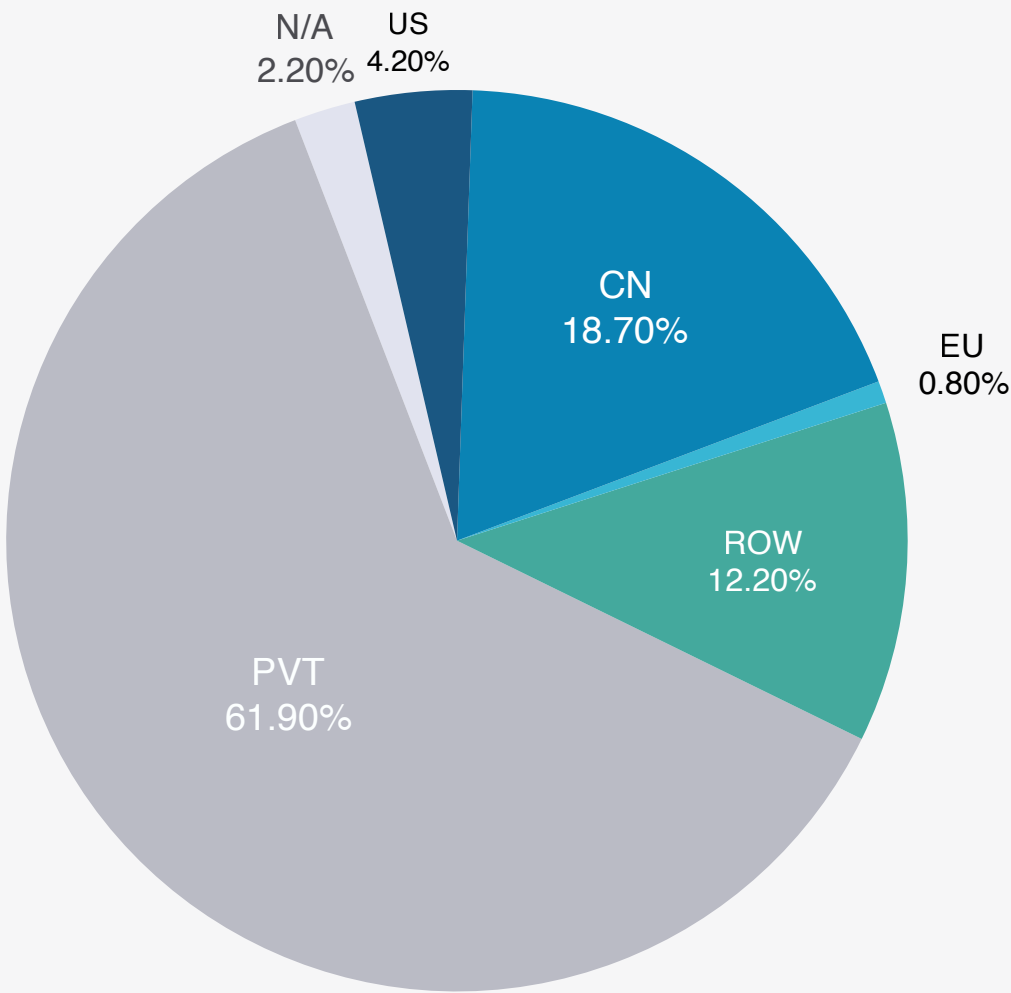
DATA

Total#	100
Development %	19.00%
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

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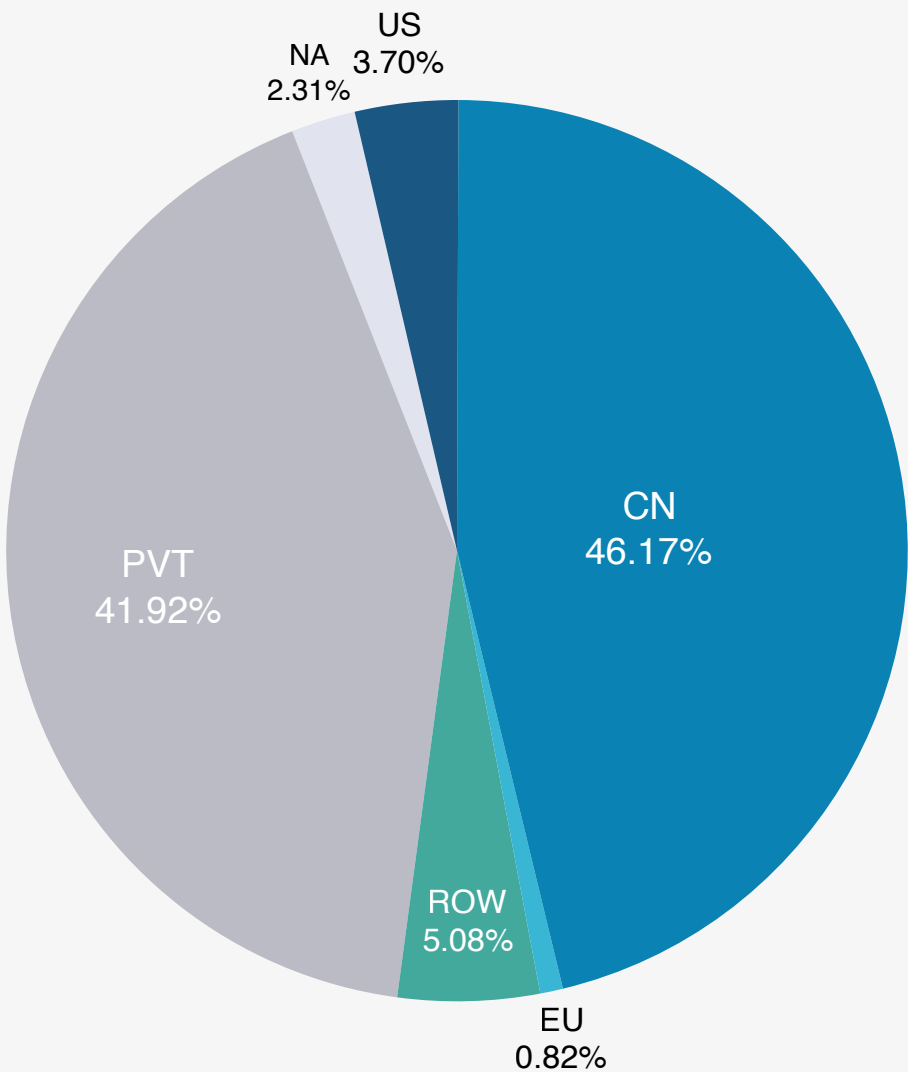
DATA

Total#	1,000
Development %	9.50%
EstiBot Market Cap	\$343.2 million
Turnover	0.30%
Public sales volume	\$622,051.00
Escrow.com sales volume	\$1,140,000.00
5th Percentile	n/a
QoQ 5th percentile	n/a



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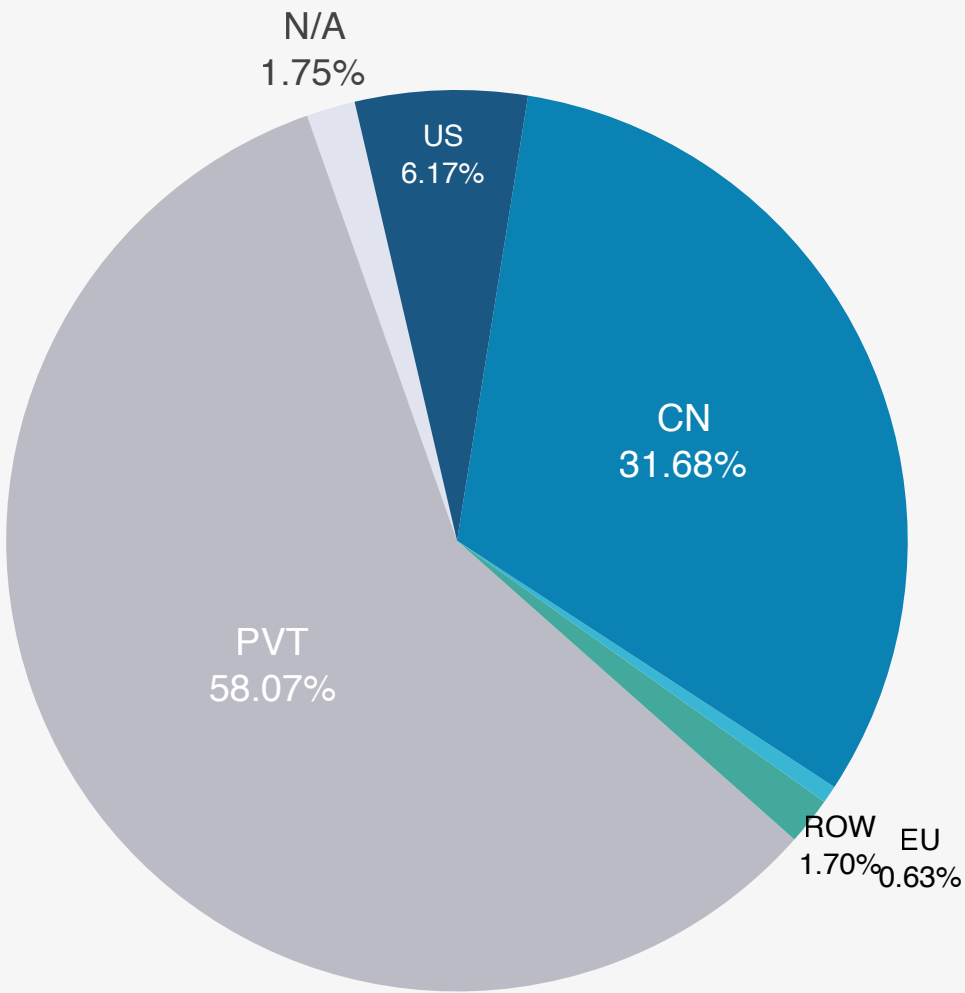
DATA

Total#	10,000
Development %	9.13%
EstiBot Market Cap	\$448.2 million
Turnover	0.10%
Public sales volume	\$335,409.00
Escrow.com sales volume	\$790,700.00
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

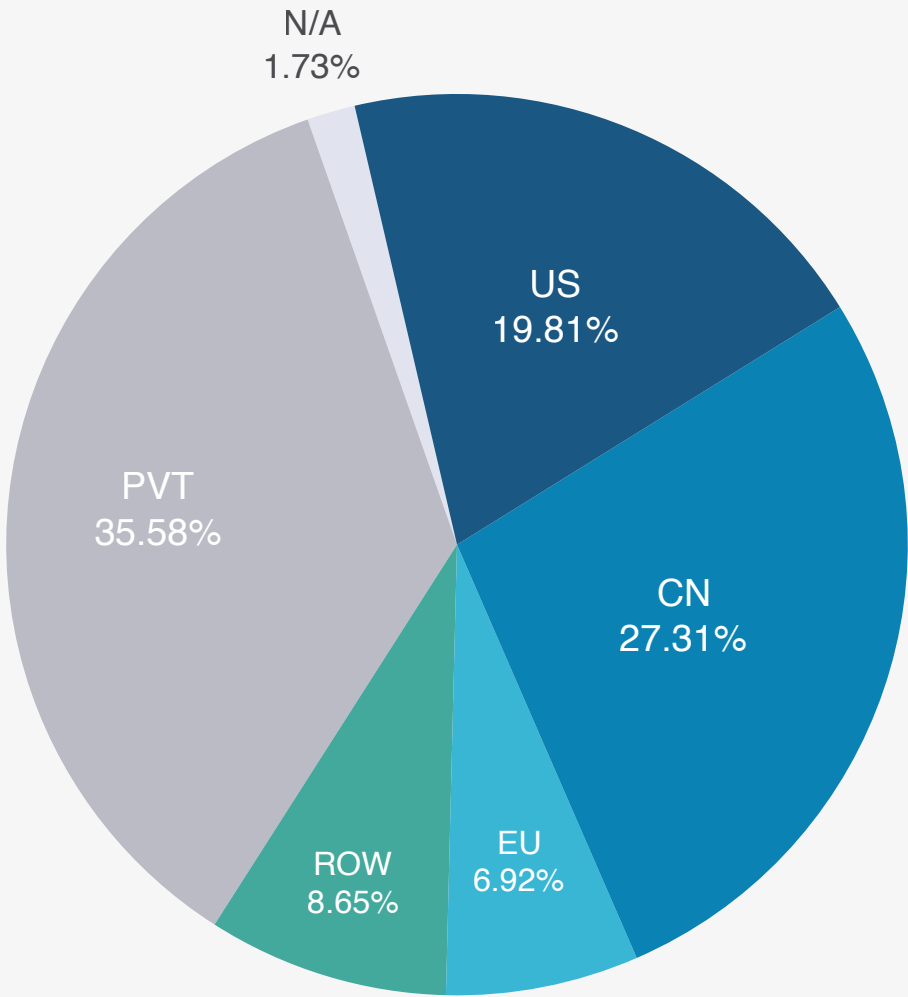
Total#	100,000
Development %	8.70%
EstiBot Market Cap	\$127.9 million
Turnover	1.12%
Public sales volume	\$924,174.00
Escrow.com sales volume	\$61,600.00
5th Percentile	\$301.00
QoQ 5th percentile	-38.57%



2C .com

LEGEND

- US - United States
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- EU - European Union
- ROW - Rest of world
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- N/A



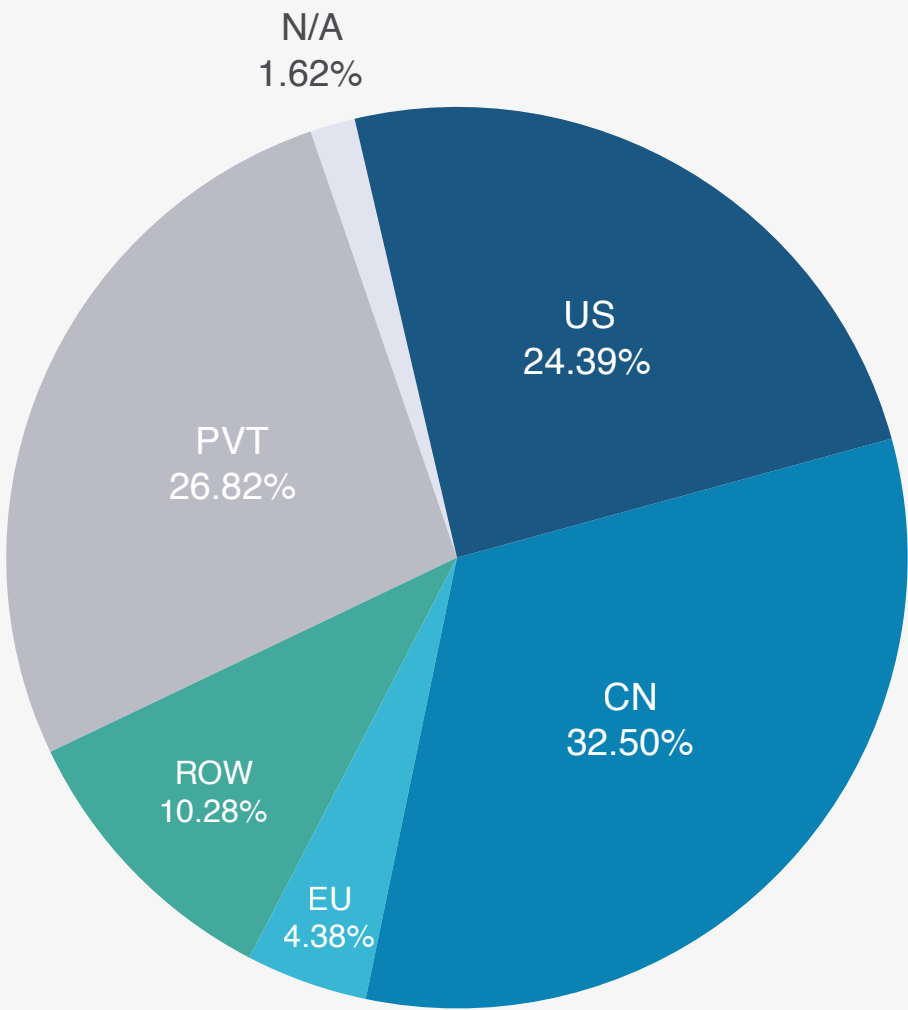
DATA

Total#	520
Development %	27.69%
EstiBot Market Cap	\$40.6 million
Turnover	0.38%
Public sales volume	\$102,461.00
Escrow.com sales volume	n/a
5th Percentile	n/a
QoQ 5th percentile	n/a

3C .com

LEGEND

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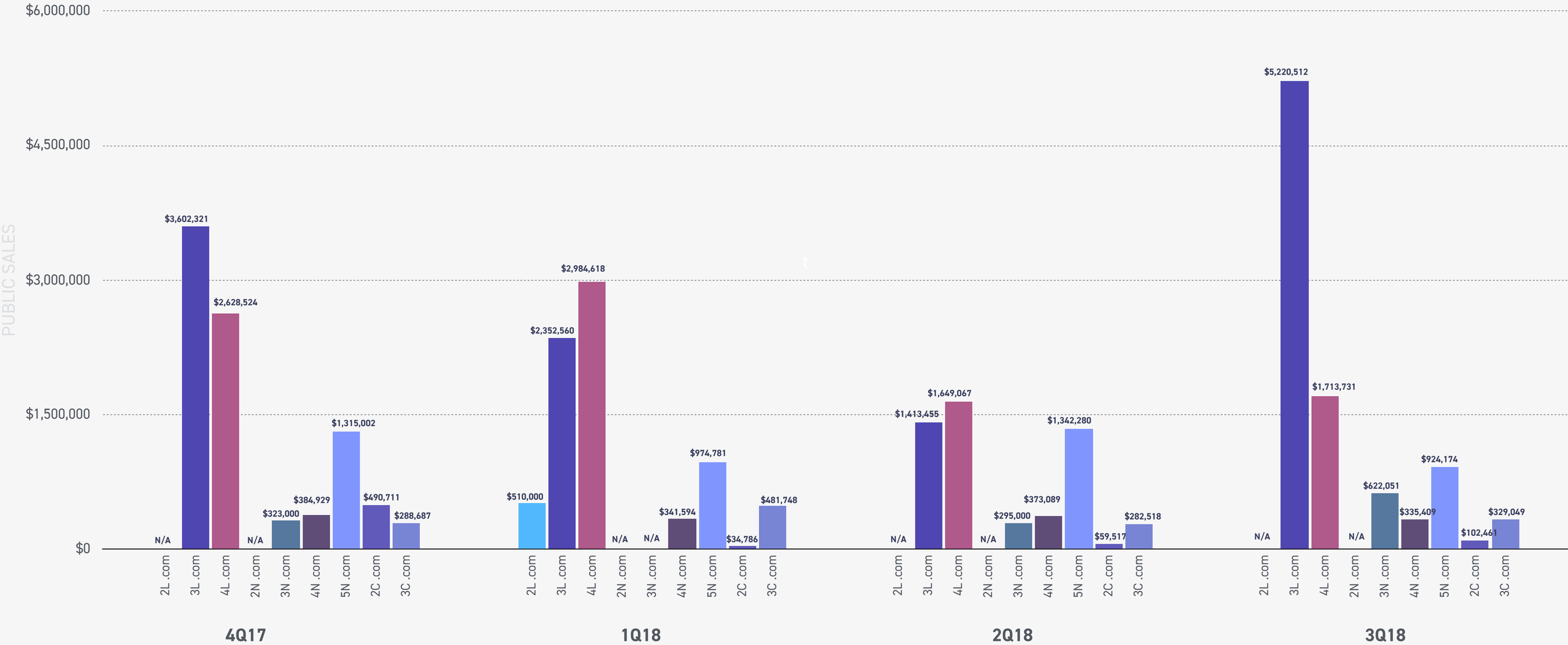
DATA

Total#	28,080
Development %	12.88%
EstiBot Market Cap	\$52.96 million
Turnover	2.12%
Public sales volume	\$329,049.00
Escrow.com sales volume *	\$71,750.00
5th Percentile	\$146.00
QoQ 5th percentile	-37.61%

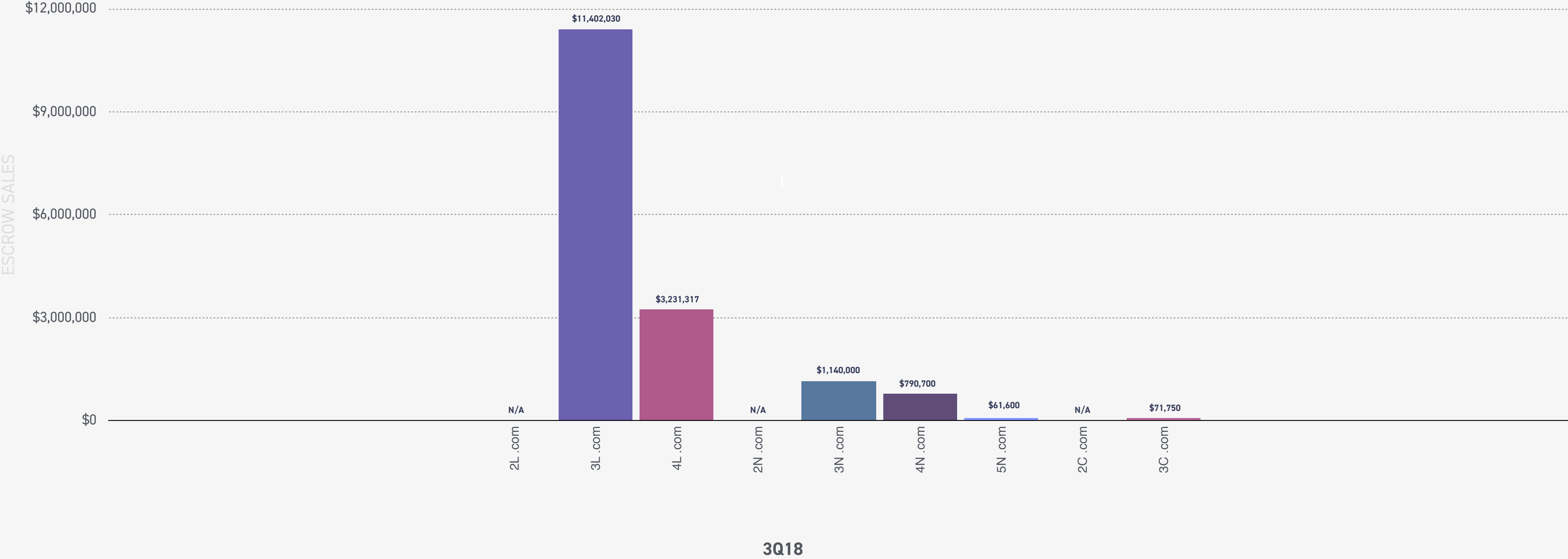
\*Due to a reporting error, the 2017 Escrow.com sales data for the 3C .com category might have been lower than previously reported.



TRAILING 12 MO ENDING 3Q2018 - PUBLIC SALES

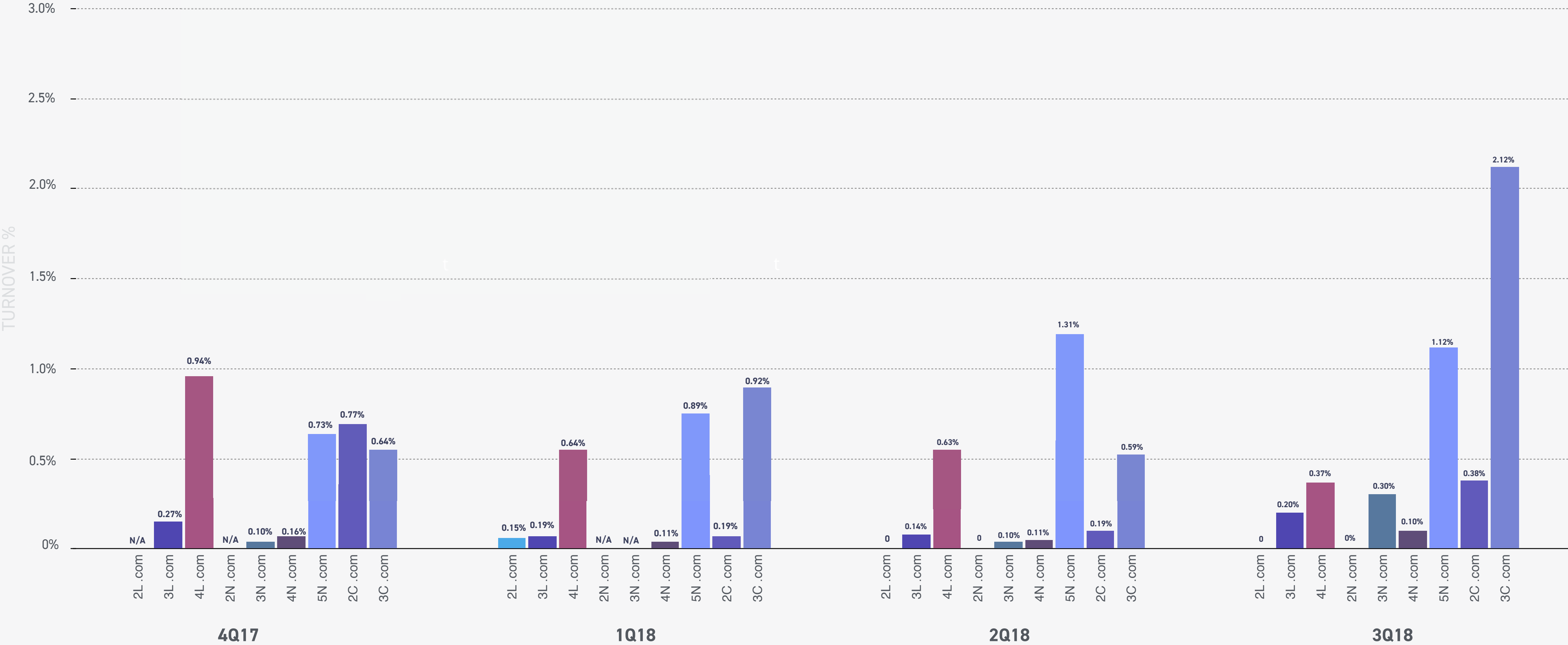


3Q2018 - ESCROW SALES



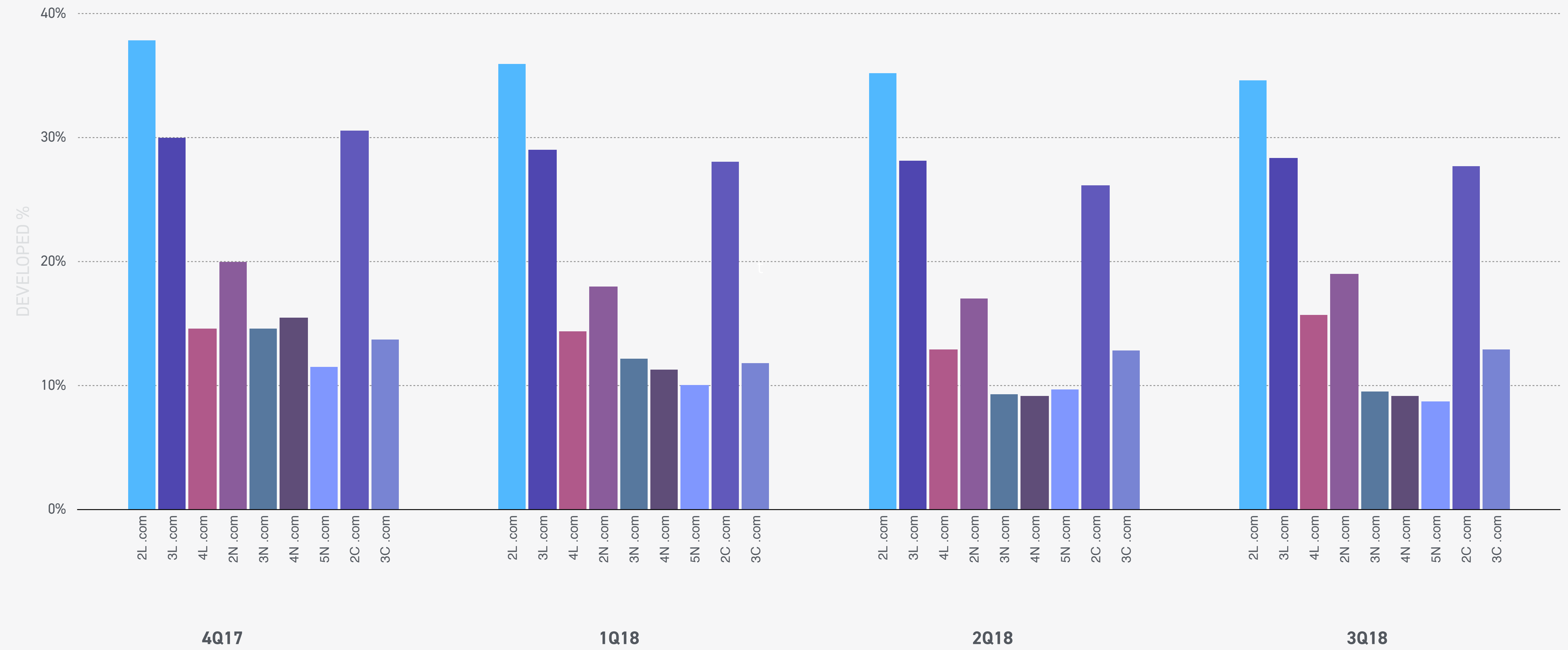


TRAILING 12 MO ENDING 3Q2018 - TURNOVER



\* Turnover based on publicly disclosed sales data

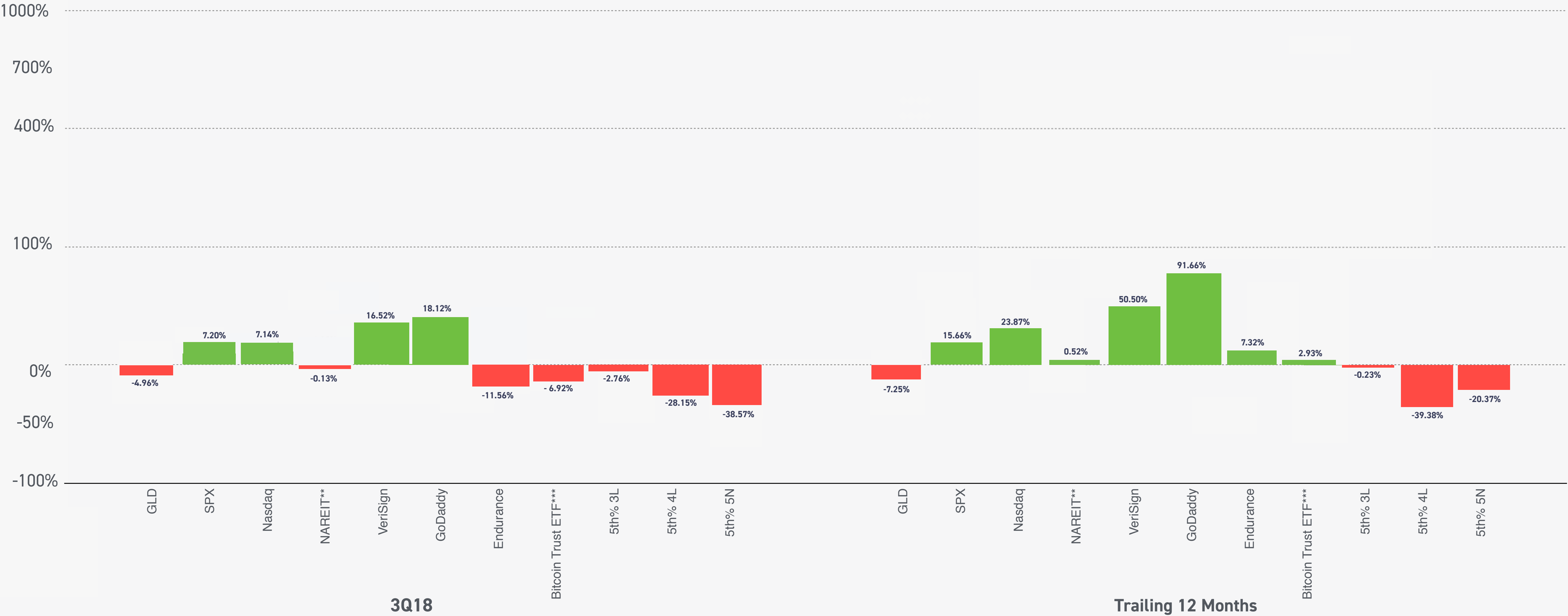
TRAILING 12 MO ENDING 3Q2018 - DEVELOPMENT





GLOBAL ASSET MARKETS ENDING 9/30/2018

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



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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.