



ESCROW.COM DOMAIN INVESTMENT INDEX

4th Quarter 2022

Escrow.com Domain Investment Index: Q4, 2022

For the quarter ending December 31st 2022

Executive Summary

Year-on-year, we have seen a 49.26% decrease in the total value of domain name transactions from \$158M in 4Q21 to \$80M in 4Q22.

Over 75% of the fall in 4Q22 is attributable to the decrease in the volume of domain name transactions, which decreased by 20% from US\$514M in FY21, to \$411M in FY22. Global venture capital funding in FY22 fell 35% to US\$445 billion.

This drop followed through to a fall in “mega” domain transactions (\$10m+) where startups pay top dollar for instant brand recognition and a permanent tail wind for their marketing.

Escrow.com Gross Payment Volume (GPV) in 4Q22 was AU\$189.5m down 48% on pcp or (US\$124.5m down 53.2% on pcp). For the FY22, Escrow GPV was \$953.4m, down 11.7% on pcp (US\$668.4m, down 17.3%).

Despite this drop, the Escrow.com business was profitable in FY22.

February '23 is shaping up to be the best month since July '22, possibly June '22, and we are fairly confident that 1Q23 GPV will be higher than 4Q22, however, volume has yet to fully return to the heights seen in 2021 / early 2022.

Escrow.com Domain Name Sales



Figure 1: Total Domain Name Sales, trailing twelve months (Escrow.com)

Total domain name transaction volume by quarter

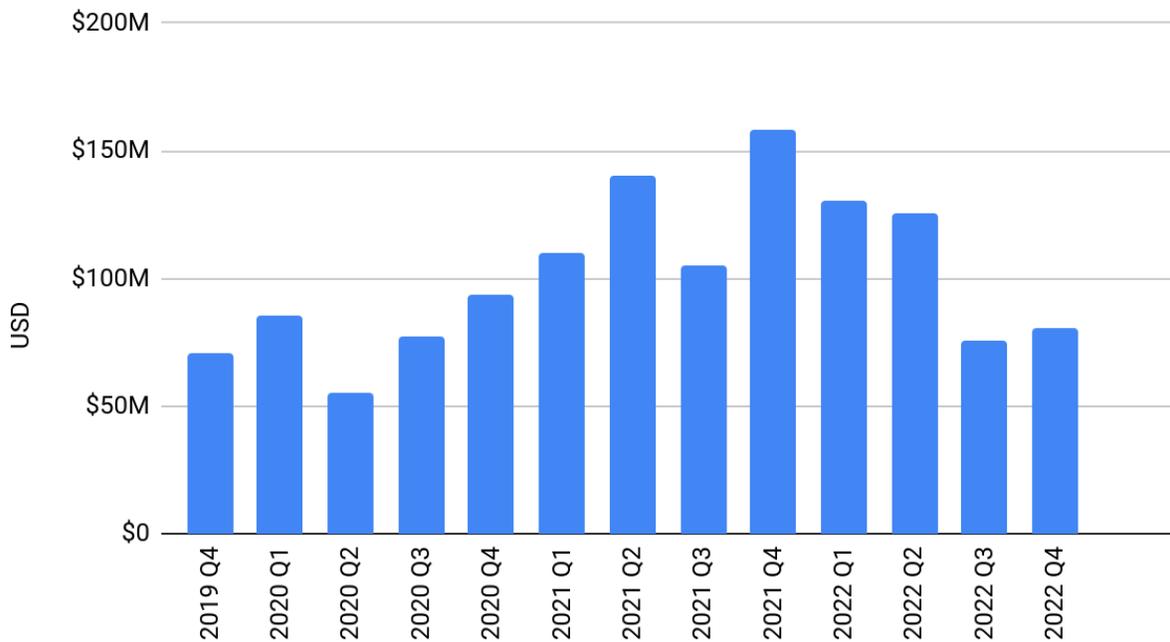


Figure 2: Total Domain Name Sales by Quarter (Escrow.com)

Total transaction value, by region

The total value of transactions involving at least one party from the United States eased from \$60M to \$57M in 4Q22. Meanwhile transactions involving Canada increased from \$6.7M to \$9.7M.

Total domain name transaction volume by region

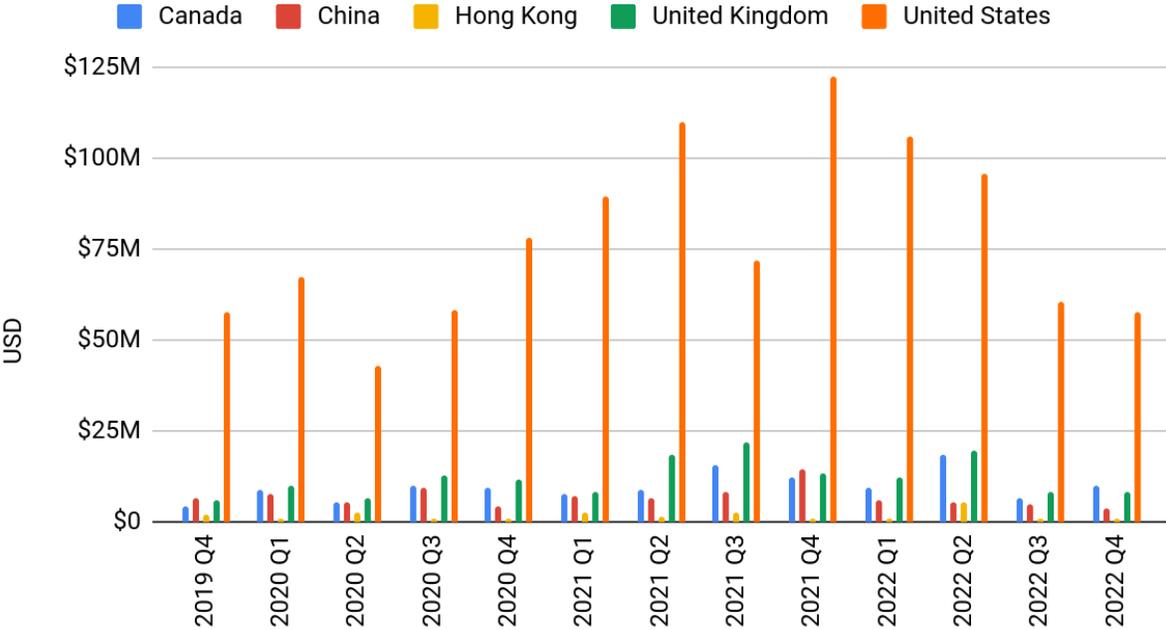


Figure 3: Total Domain Name Sales by Region (Escrow.com)

The impact of content on domain name sale price

The fastest way to raise the value of a premium domain is to build content, and ultimately an operating business out on it.

The median price of domain names bundled *with* content increased to \$6,000 in 4Q22 from \$5,000 in 3Q22. The Median price of domain names *without* content eased to \$4,120 in 4Q22 from \$4,504 in 3Q22

The impact of content on median domain name price

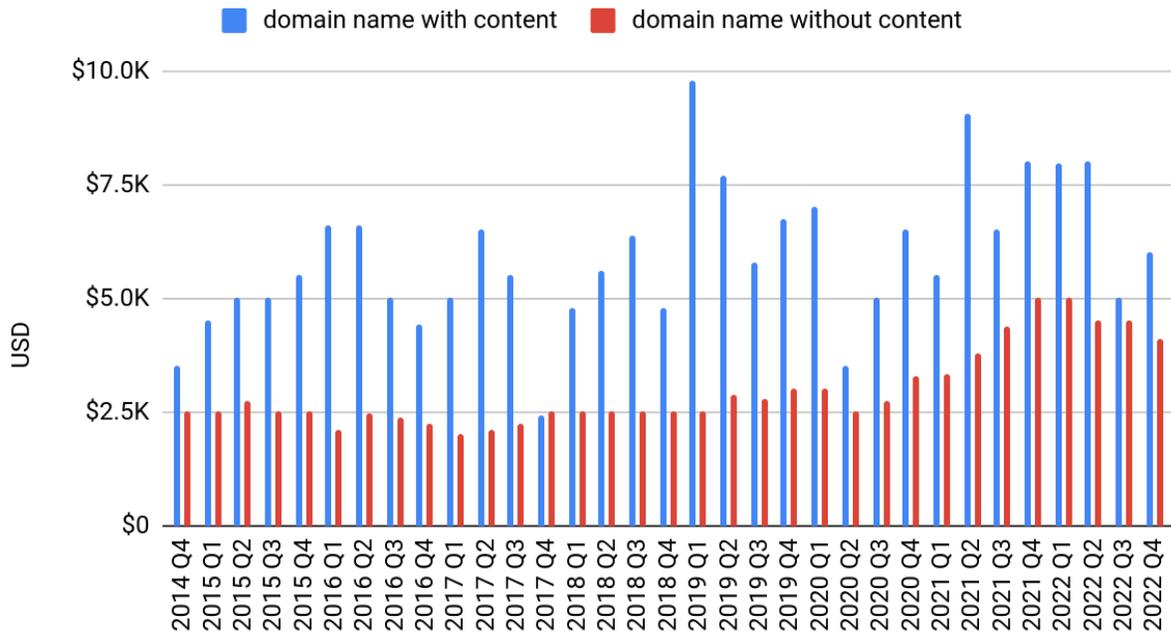


Figure 4: The Impact of content on domain name pricing (Escrow.com)

The total combined transaction value for all domains *without* content is at \$44M in 4Q22, down by 46% from \$83m in 4Q21. For domains *with* content, the total transaction value is down by 11% from \$21m in 4Q21 to \$19m in 4Q22.

Total transaction value for all domains

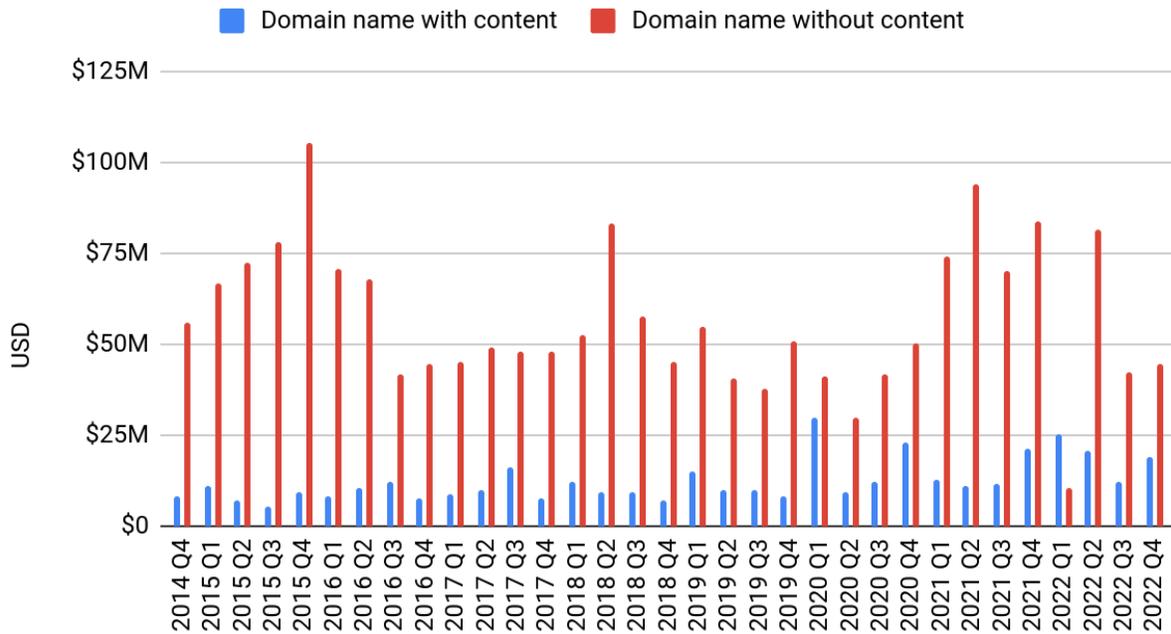


Figure 5: Total volume of domain name sales content versus no content (Escrow.com)

Two and three letter .com domain names (LL.com, LLL.com)

The median price of two and three letter {a-z} .com domains eased to \$45k in 4Q22 from \$371k in 3Q22.

Median price of two and three letter (LL.com, LLL.com) domains

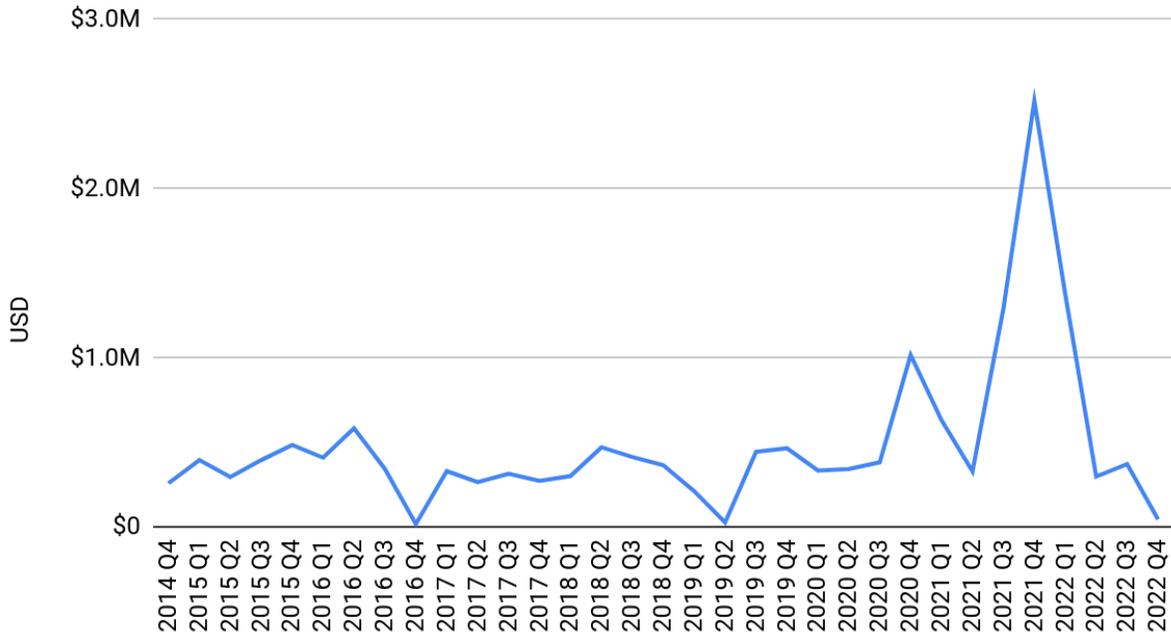


Figure 6: Median price of two and three letter domains (LL.com, LLL.com) (Escrow.com)

Four letter .com domain names (LLLL.com)

The median price of four letter .com domain names eased back down to \$8.9k in 4Q22 from \$138k in 3Q22 which surged due to high value domain sales.

Investors are flocking to buy four letter .com domain names as a safe investment in an uncertain economic climate. The median price of these domains has increased steadily over the past few years, and shows no signs of slowing down.

For those unfamiliar with the world of domain investing, four letter .coms are considered to be among the most valuable assets one can own. This is due to their scarcity - there are only 4,096 possible combinations of letters - and their wide appeal; they're easy to remember and pronounce, making them perfect for branding purposes.

Median price of four letter (LLLL.com) domains

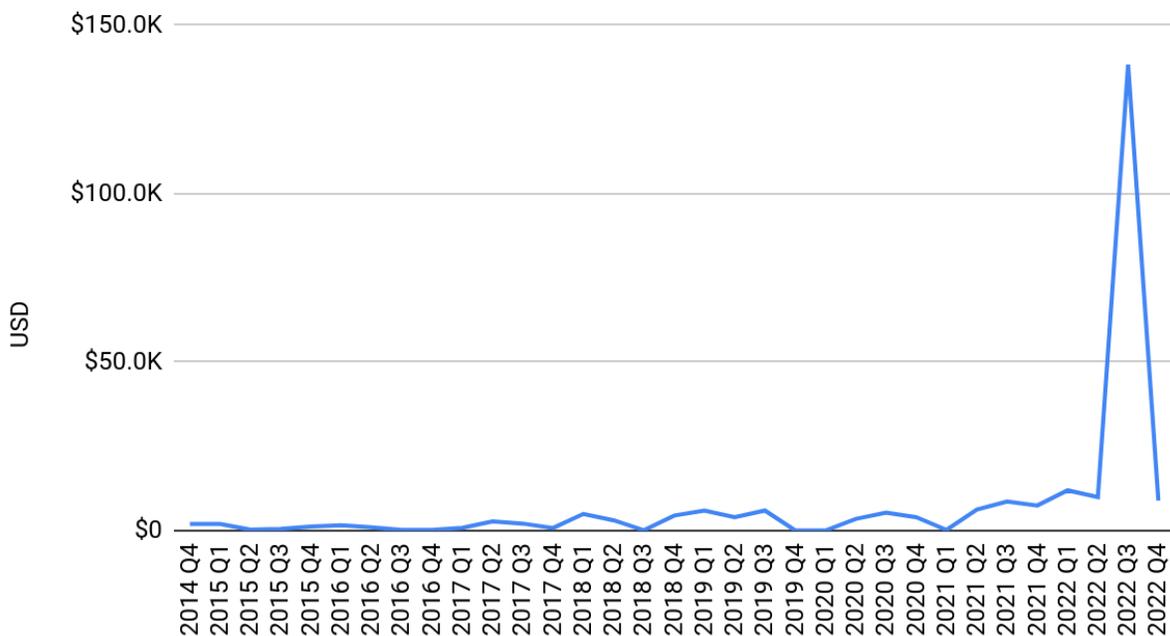


Figure 7: Median price of four letter domains (LLLL.com) (Escrow.com)

Five letter .com domain names (LLLLL.com)

Similar to four letter .com domains, the median price of five letter .com domain names eases back to \$8k in 4Q22 from \$64k in 3Q22 which surged due to high value domain sales.

Median price of five letter (LLLLL.com) domains

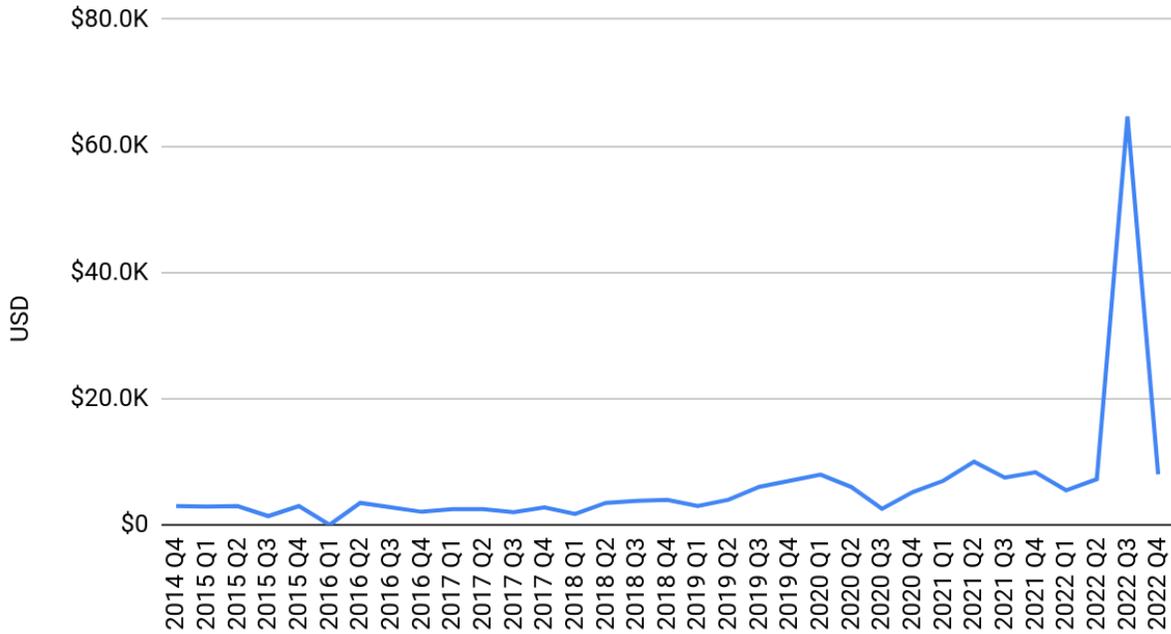


Figure 8: Median price of five letter domains (LLLLL.com) (Escrow.com)

Two and three character .com (CC.com, CCC.com) domain names

The median price of two and three character .com {a-z,0-9,-} domain names in 4Q22 is \$32,500.

Median price of two and three character domain names

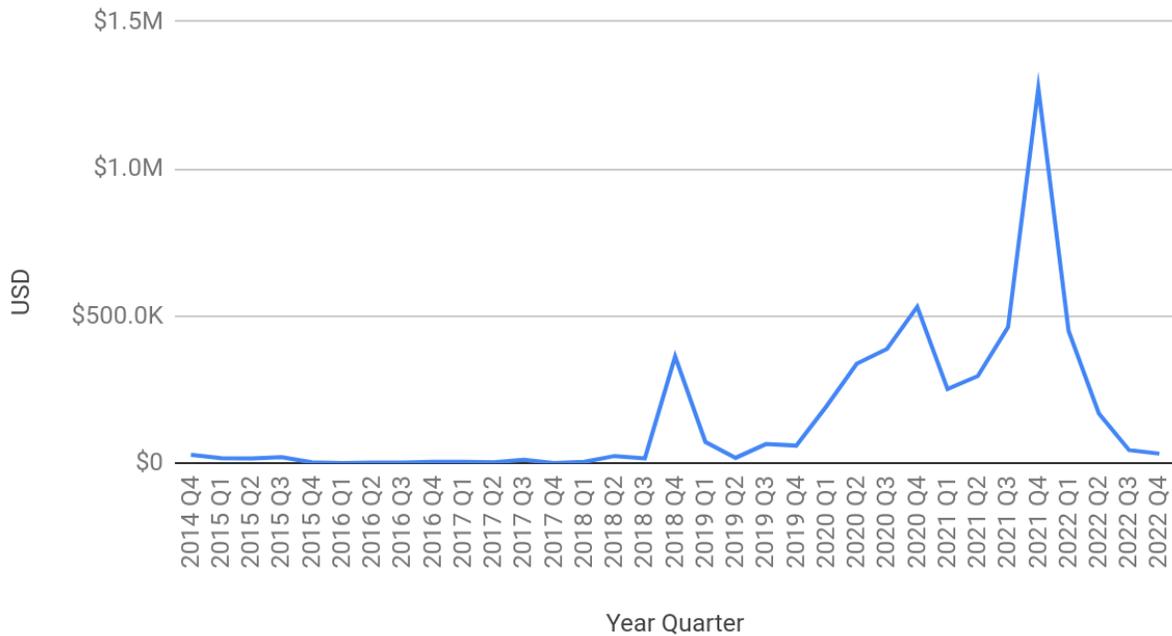


Figure 9: Median price of two and three character domain names (Escrow.com)

Four character .com (CCCC.com) domain names

The median price of four character .com domain names in 4Q22 was \$9,900

Median price of four character domain names

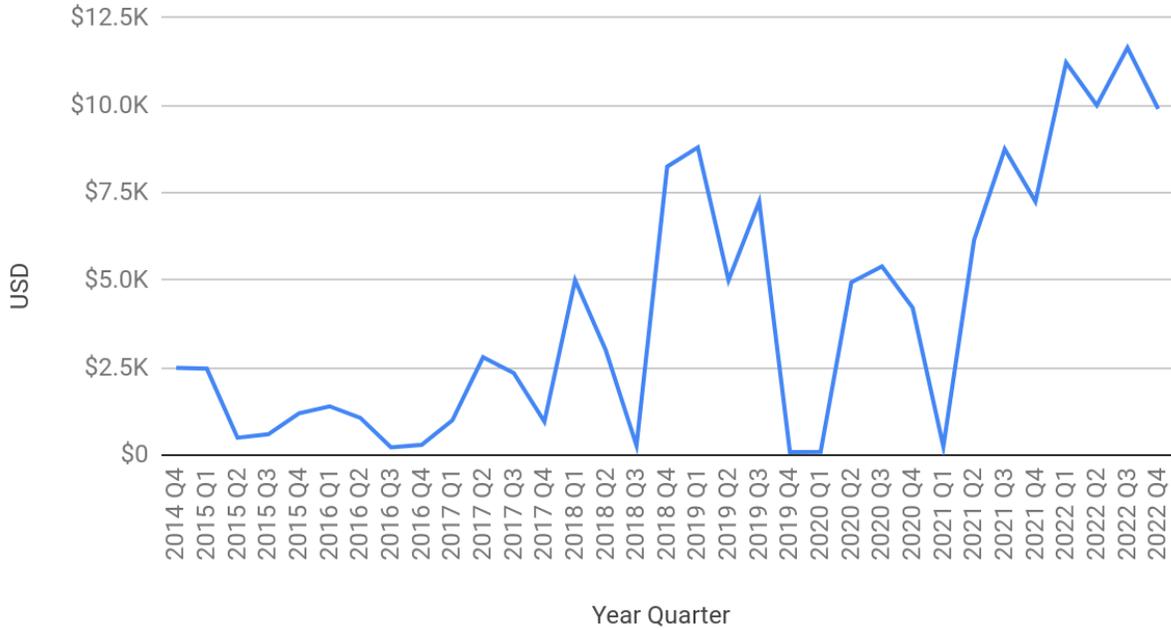


Figure 10: Median price of four character domain names (Escrow.com)

Five character .com (CCCCC.com) domain names

The median price of five character .com domain names increases to \$8,000 in 4Q22 from \$5,000 in 3Q22.

Median price of five character domain names

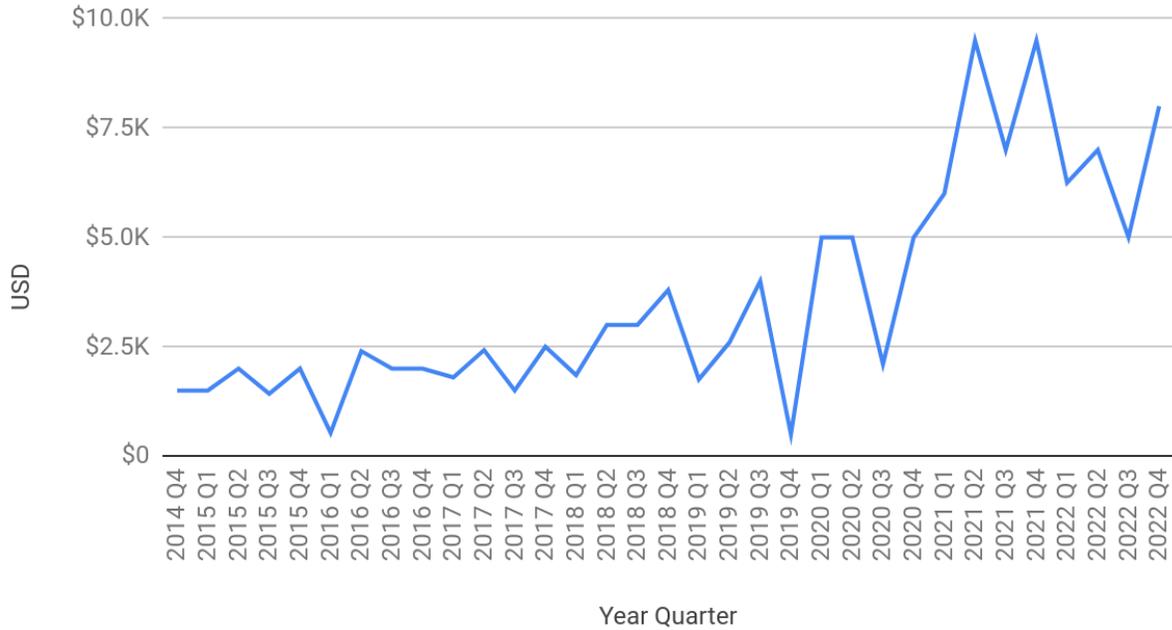


Figure 11: Median price of five character domain names (Escrow.com)

Six character .com (CCCCCC.com) domain names

The median price of six character domain names eases to \$2,000 in 4Q22 from \$10,000 in 3Q22.

Median price of six character domain names

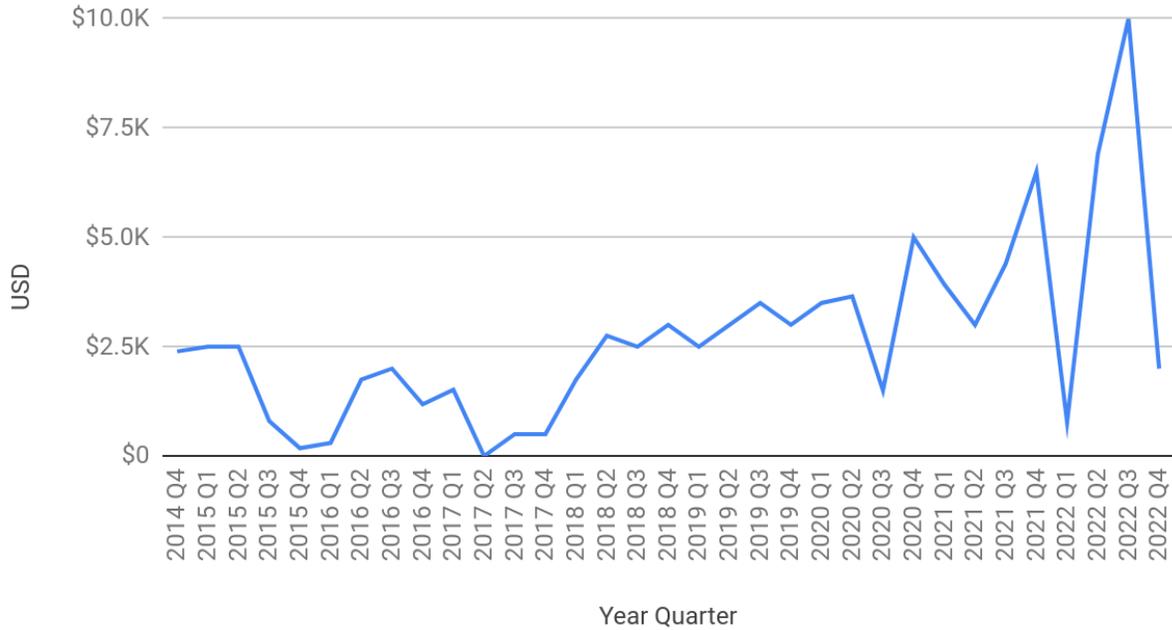


Figure 12: Median price of six character domain names (Escrow.com)

Two and three number .com domain names (NN.com, NNN.com)

Highly coveted two and three number {0-9} .com domain names had no transactions in 4Q22. There are only 1100 of these names.

Median price of two, three number (NN.com, NNN.com) domains

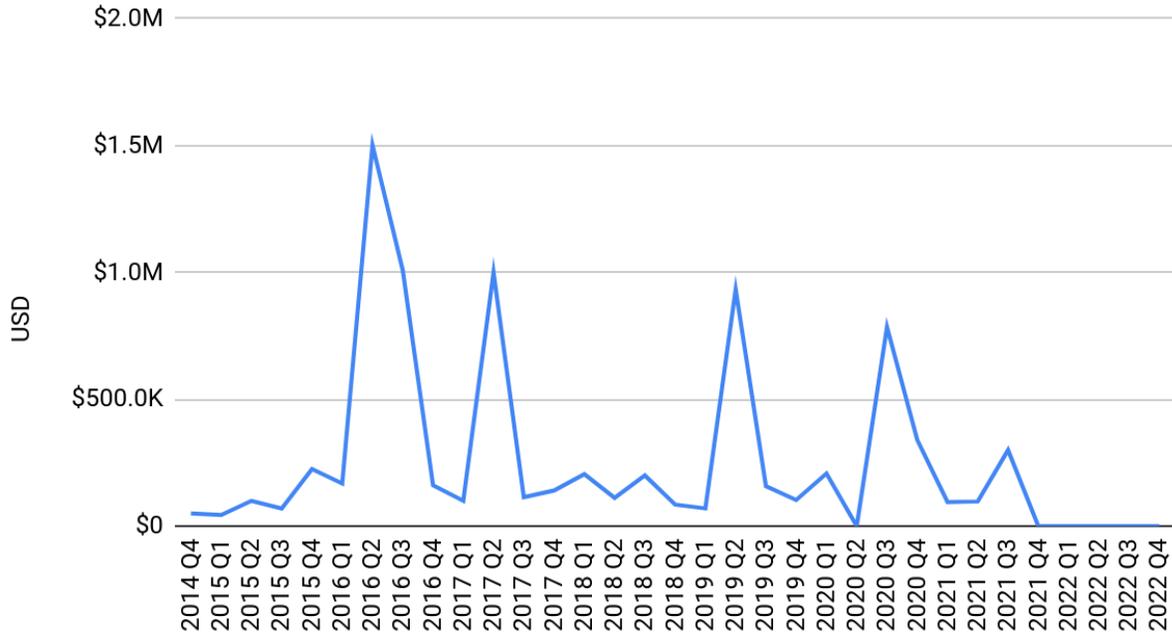


Figure 13: Median price of two and three number .com domains (NN.com, NNN.com) (Escrow.com)

Four number .com domain names (NNNN.com)

The median price of four number .com domains was \$26,500 in 4Q22.

Median price of four-number domain names (NNNN.com)

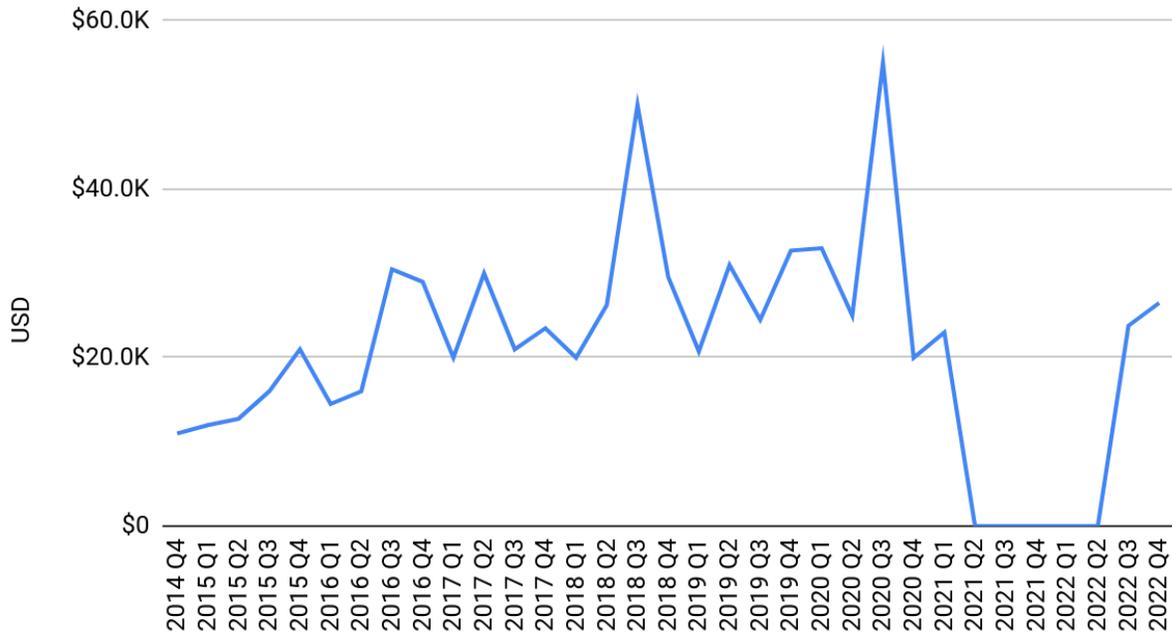


Figure 14: Median price of four number .com domains (NNNN.com) (Escrow.com)

Domain names containing a hyphen '-'

A 84% year-on-year drop was seen in the total transaction value of domain names containing a hyphen, from \$6.3M in 4Q21 to \$986k in 4Q22. Domains cannot start or end with a hyphen.

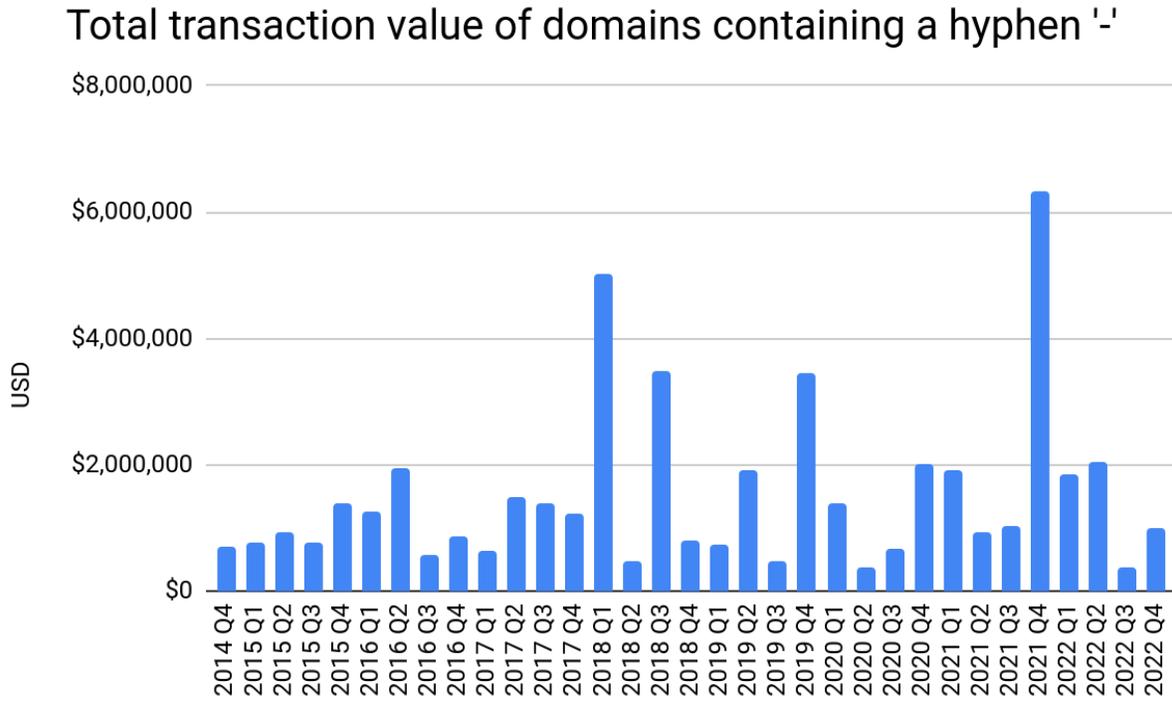


Figure 15: Total transaction volume of domains containing a hyphen '-' (Escrow.com)

Domain names containing a 'meta'

A 90% year-on-year drop was seen in the total transaction value of domain names containing the word 'meta', from \$8.1M in 4Q21 to \$767k in 4Q22. Although we're seeing a resurgence from \$226k in 3Q22.

Total transaction value of all domain names containing the keyword 'meta', by quarter

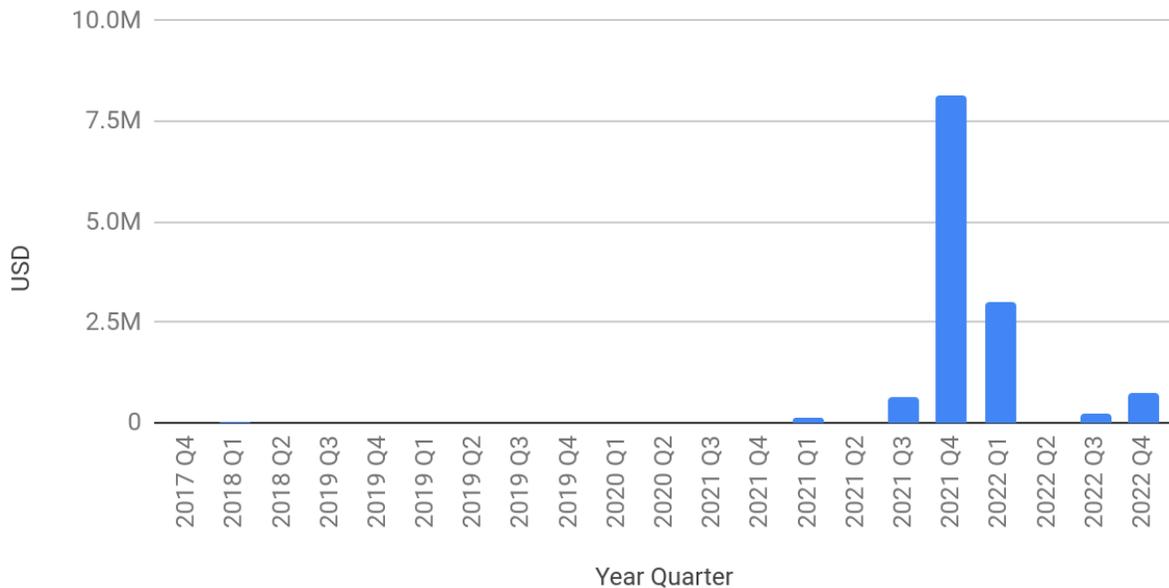


Figure 16: Total transaction volume of domains containing 'meta' (Escrow.com)

About Escrow.com

Winner of the BBB Torch Award for Ethics for Silicon Valley, San Francisco and the Bay Area, Escrow.com is the world's largest online escrow provider. Founded in 1999 by Fidelity National Financial, today over US\$6 billion in transactions have been secured from over 2 million customers. The company is now a division of Freelancer Limited (ASX:FLN, OTCQX: FLNCF). Escrow.com's headquarter is in San Francisco, California, the United States.

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

