

# E-Real Estate Investment

Financial Management

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# Overview:

- What is E-Real Estate?
  - It is an online intangible asset owned once a domain name (yourname.com) was purchased.
- When did E-Real Estate investment start?
  - Started 1996
- How did E-Real Estate investment start?
  - Internet Revolution

# Investment Facts (During 90's)

- Random prices and rates of return
  - Vary upon desire
  - Out of historical data
- Low cost
  - Cost was as low as 50-100USD annually
  - Nowadays, as low as 10USD annually
- No risk measurements
  - Out of historical information

# Investment Methods

- Direct Registration
  - [Register.com](#)
  - [Domain.com](#)
- Direct from owner
  - Buy a domain directly from owner
- Auctions
  - [Pool.com](#)
  - [Snapnames.com](#) (backorder, no longer)
  - [Namejet.com](#)

# Factor: Arabia.com

- Started 1995
- Investment by Prince Al-Waleed T. Al-Saud, 20 million USD.
- 2001:
  - Running debts more than income
- 2004:
  - Declare bankruptcy

## Factor: Media

- Media and E-Real Estate in 2003
- Top sold domain names websites:
  - [Dnjournal.com](http://Dnjournal.com)
- Prices became public, demand and supply started to be involved

# Dnjournal.com

<p>with Sedo you may need to look for a hobby</p> <p><b>The DN Journal Top 20</b>  <b>Reported Domain Sales - Mon. April 13, 2009 - Sun. April 19, 2009</b>            Euro to Dollar Conversion (€ to \$) is Based on Rates in Effect April 21</p>			
	Domain	Sold For	Where Sold
1.	LiveStream.com	\$100,000	Sedo
2.	Jeddah.com	\$58,050	Sedo
3.	LevelUp.com	\$50,000	Sedo
4.	Noticias.net ("news" in Spanish)	£22,000 = \$32,340	Sedo
5.	SEO.info	€17,000 = \$21,930	Sedo
6.	GoFigure.com	\$21,000	GoDaddy Auctions
7.	Billetesbaratos.com	£12,500 = \$18,375	Sedo
8.	BSA.com	\$17,850	NameJet
9.	Telefony.pl	€13,500 = \$17,415	Sedo
10.	Portugues.com	\$15,100	SnapNames



# KuwaitNET

- Started in 1997 in Kuwait
- 2002:
  - Gathering Arabic domain names
  - Good generic names
  - Focusing on (.com)
- Till financial crisis:
  - Careless about price, return and risk measurement since market was increasing

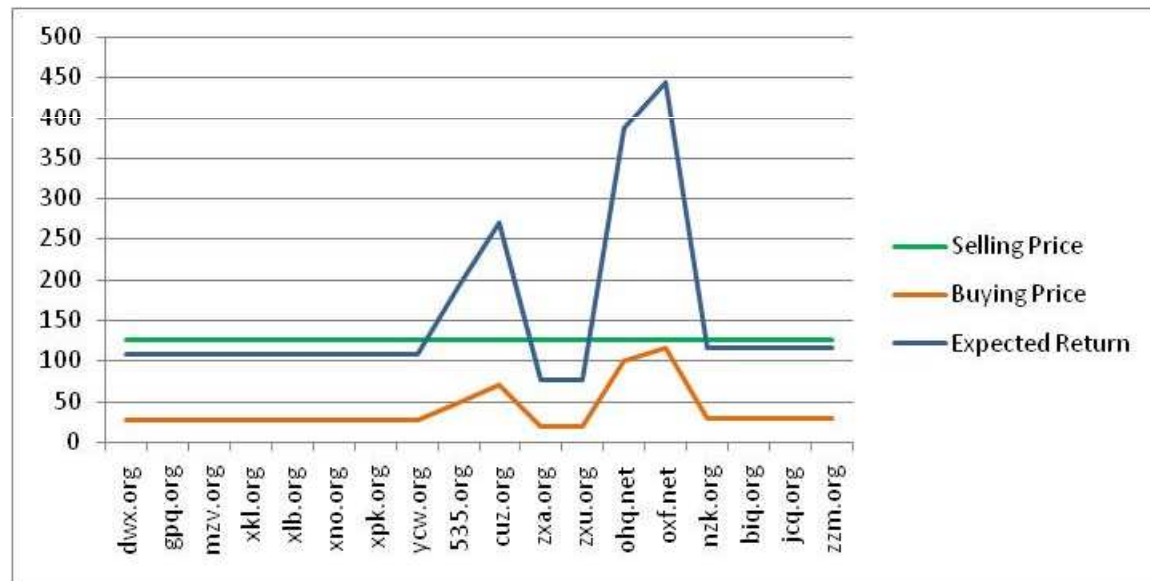
# KuwaitNET Portfolio

Domain	Buying Date	Buying Price	Selling Date	Selling Price
816.com	2003	1000	2005	3350
ozx.com	2003	625	2005	3550
dwx.org	2003	28.38	2005	125
gpq.org	2003	28.38	2005	125
mzv.org	2003	28.38	2005	125
xkl.org	2003	28.38	2005	125
xlb.org	2003	28.38	2005	125
xno.org	2003	28.38	2005	125
xpk.org	2003	28.38	2005	125
ycw.org	2003	28.38	2005	125
535.org	2003	50	2005	125
cuz.org	2003	70	2005	125
zxa.org	2003	20	2005	125
z xu.org	2003	20	2005	125
ohq.net	2003	100	2005	125
oxf.net	2003	115	2005	125
nzk.org	2003	30	2005	125
biq.org	2003	30	2005	125
jcq.org	2003	30	2005	125
zxm.org	2003	30	2005	125
<b>Total</b>	<b>2003</b>	<b>2347.04</b>	<b>2005</b>	<b>9150</b>

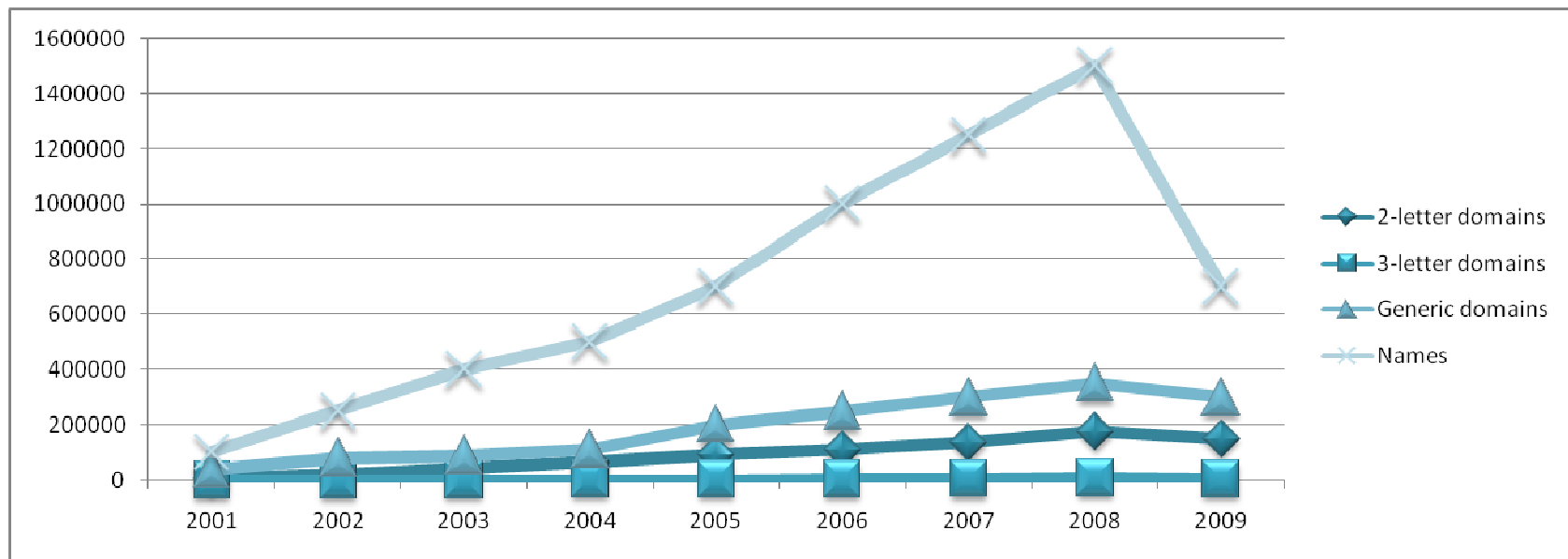
# KuwaitNET Portfolio

Selling Price	Expected Return
3350	3850
3550	2406.25
125	109.263
125	109.263
125	109.263
125	109.263
125	109.263
125	109.263
125	109.263
125	109.263
125	192.5
125	269.5
125	77
125	77
125	385
125	442.75
125	115.5
125	115.5
125	115.5
125	115.5
9150	9036.104

Rate of Return 289.8528 %  
R Square 91.24812 %



# Financial Crisis



# Recommendations

- Construct a portfolio:
  - Stay away from short bad names (x9r.com)
  - Focus on short good names (abc.com)
  - Focus on generic names (island.com)
  - Focus on “names” (kuwait.com)
  - Diversification required
- Generic names:
  - No price, return, risk measurement
  - Measurements dependent upon desire

## Recommendations (cont.)

- Short good names:
  - Measurements are similar to historical information of similar names (price of cbd.com close to price of efg.com)
- Parking Domains:
  - Run advertisements
  - To cover parked domain annual cost
  - Domain price should not exceed 3 years of its revenue from advertising

# Thank you!

Questions?