5 Unforgettable Lessons I Learned Spending $1 Million on a Domain Name



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Every once in a while, a domain name transaction occurs that sends shockwaves throughout the domain community. During the first half of 2024, for example, three domain sales have met this standard, per DN Journal. These include Rural.com selling for $550,000, TP.com being bought for $1.2 million, and Gold.com setting the year's record after being purchased for a breathtaking $8.5 million.

I can't begin to tell you how excited I was when I knew that the three-letter, ultra-premium domain name I wanted was available for purchase. In my case, this was VPN.com, a domain I initially purchased for $1 million in 2017 in an acquisition

that would change my life forever.

Looking back now, after successfully completing hundreds of domain name transactions in the aftermath, I can impart several pieces of important advice to anyone who is looking to enter the seven-figure domain name ownership club.

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Only fools rush in

Making a big purchase is exciting, and it can sometimes create a fog in our minds when we get this excited. It's almost like that giddy feeling you get when you know you've found that new car you *want* to buy and are ready to complete the transaction.

First and foremost, it's important to take a deep breath and take your time.

- Large domain name purchases require some vetting. So, you'll want to take some time to learn more about the domain, its history, traffic volume and built-in SEO benefits, ownership, and so forth, well before you make up your mind.
- Some domains may come with attached intellectual property (IP) that you can use to your benefit, which is often included in the sale. You'll want to inquire about this and ensure that, if so, these attributes are clearly defined in the purchase contract.
- Conferring with the right legal counsel is critical, especially if you plan to cut a seven-figure check. So, don't gawk at having to drop some cash on ensuring that your transaction closes in a manner that benefits you the most in the long run. It's money well spent.

Your broker matters

Who you use as your broker matters a great deal. Not all brokers are equal, and bigger isn't necessarily better here. Since these brokers cut their teeth on this industry, having an experienced one on your side representing your interests in the acquisition is important from the start.

- Brokers understand the ins and outs of these transactions and have the experience necessary to help you complete them in a timely manner – while not overlooking any important details along the way that can potentially adversely affect the timeline or the final outcome.
- Most brokers have vetted legal counsel and use industry-standard contracts and escrow services to streamline the acquisition and safeguard funds in transit.
- Many domain name brokerages also offer "Stealth Domain Name Acquisition" services that essentially shield the identity of the buyer (and sometimes even the seller) to add an additional layer of privacy to large transactions. This is especially important for new enterprise-level brand launches or shielded celebrity transactions.

It's like buying a digital piece of real estate

Dropping seven figures on a domain name is akin to a real estate purchase in the digital era. These domain names already come with vetted, immediate value propositions. And, for the most part, many will continue to appreciate in value over time, too. Naturally, some represent investments in a brand or a future brand – such as that you'd find with Gold.com, which, after a quick check on Chrome, auto-forwards to a well-known bullion seller brand name.

Using this as our example, we can see that the company that acquired this domain name knew that the traffic coming into it was so valuable that they just wanted that traffic to be forwarded to their homepage – and they were more than happy to spend over $8 million in hard U.S. currency to ensure that it did.

Chances are good that this domain name will never decrease in value and that the new owner will generate significant revenue increases as a direct result. These are two impressive plays in the domaining playbook that we can all learn from.

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There are legalities to consider along the way

As you'd expect with any transaction that's on a scale this large, there'll be some legalities you'll want to consider along the way, too. While you will always want to retain legal counsel to answer your questions, and while two transactions in domains are almost never the same, there are a few things to consider here.

Will you be personally buying the domain (usually not recommended) or using a company or brand to purchase it? Generally speaking, you'll want to acquire any domain name asset under the protections of a Limited Liability Corporation (LLC), but the best advice to follow here is that which is offered by your legal counsel.

What type of asset protection measures are you planning to put into place? While it's never a fond thing to think of, you'll want to plan for any type of potential variable that may occur, including divorce-proofing your domain asset.

Are you planning on holding and selling the domain or using

the asset to acquire new traffic and drive more value? What you decide may make a difference in the path that you choose for acquisition, including, as mentioned previously, considering a stealth domain name transaction.

What other types of questions might you have before you complete the transaction that you should confer with qualified legal counsel on? Take the time to create a detailed checklist, so that you can proceed in confidence, knowing that any and all important questions or concerns have been addressed to your satisfaction in advance.

Start using your new asset to generate revenue from day one

I acquired my domain to become the face of my new company. I knew that I could harness the value and potential of it from the first day I owned it. Knowing this gave me ample time to create a unique value proposition and a plan of action for my large-scale transaction. It also afforded me ample time to work alongside a talented web development team to create high-value websites in stages that I could fine-tune and be ready for launch immediately post-acquisition. Looking back, I cannot emphasize how critical this forward-thinking approach was in achieving my end goals.

Having this knowledge and timeframe well in advance helped me secure the seven-figure domain name I wanted while executing a carefully designed plan of action to maximize impact. In retrospect, I strongly feel that these are the five most critical elements that I took into account during my million-dollar domain acquisition journey.

For me, a seven-figure domain name purchase indeed altered my life forever and *for the better*. If you take your time and carefully pursue your next domain acquisition, it may have the potential to deliver a similar result for you

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