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December 12, 2022

No, Google Did Not Hike the Price of a .dev Domain from $12 to $850

It was perfect outrage fodder, quickly gaining hundreds of upvotes on Hacker News:

> As you know, domain extensions like .dev and .app are owned by Google. Last year, I bought the http://forum.dev domain for one of our projects. When I tried to renew it this year, I was faced with a renewal price of $850 instead of the normal price of $12.

It's true that most .dev domains are just $12/year. But this person never paid $12 for forum.dev. According to his own screenshots, he paid 4,360 Turkish Lira for the initial registration on December 6, 2021, which was $317 at the time. So yes, the price did go up, but not nearly as much as the above comment implied.

According to a Google worker, this person should have paid the same, higher price in 2021, since forum.dev is a "premium" domain, but got an extremely favorable exchange rate so he ended up paying less. That's unsurprising for a currency which is experiencing rampant inflation.

Nevertheless, domain pricing has become quite confusing in recent years, and when reading the ensuing Hacker News discussion, I learned that a lot of people have some major misconceptions about how domains work. Multiple people said untrue or nonsensical things along the lines of "Google has a monopoly on the .dev domain. GoDaddy doesn't have a monopoly on .com, .biz, .net, etc." So I decided to write this blog post to explain some basic concepts and demystify domain pricing.

Registries vs Registrars

If you want to have an informed opinion about domains, you have to understand the difference between registries and registrars.

Every top-level domain (.com, .biz, .dev, etc.) is controlled by exactly one registry, who is responsible for the administration of the TLD and operation of the TLD's DNS servers. The registry effectively owns the TLD. Some registries are:

.com Verisign

.biz GoDaddy

.dev Google

Registries do not sell domains directly to the public. Instead, registrars broker the transaction between a domain registrant and the appropriate registry. Registrars include Gandi, GoDaddy, Google, Namecheap, and name.com. Companies can be both registries and registrars: e.g. GoDaddy and Google are registrars for many TLDs, but registries for only some TLDs.

When you buy or renew a domain, the bulk of your registration fee goes to the registry, with the registrar adding some markup. Additionally, 18 cents goes to ICANN (Internet Corporation for Assigned Names and Numbers), who is in charge of the entire domain system.

For example, Google's current .com price of $12 is broken down as follows:

$0.18 ICANN fee

$8.97 Verisign's registry fee

$2.85 Google's registrar markup

Registrars typically carry domains from many different TLDs, and TLDs are typically available through multiple registrars. If you don't like your registrar, you can transfer your domain to a different one. This keeps registrar markup low. However, you'll always be stuck with the same registry. If you don't like their pricing, your only recourse is to get a whole new domain with a different TLD, which is not meaningful competition.

At the registry level, it's not true that there is no monopoly on .com - Verisign has just as much of a monopoly on .com as Google has on .dev.

At the registrar level, Google holds no monopoly over .dev - you can buy .dev domains through registrars besides Google, so you can take your business elsewhere if you don't like the Google registrar. Of course, the bulk of your fee will still go to Google, since they're the registry.

ICANN Price Controls

So if .com is just as monopoly-controlled as .dev, why are all .com domains the same low price? Why are there no "premium" domains like with .dev?

It's not because Verisign is scared by the competition, since there is none. It's because Verisign's contract with ICANN is different from Google's contract with ICANN.

The .com registry agreement between Verisign and ICANN capped the price of .com domains at $7.85 in 2020, with at most a 7% increase allowed every year. Verisign has since imposed two 7% price hikes, putting the current price at $8.97.

In contrast, .dev is governed by ICANN's standard registry agreement, which has no price caps. It does, however, forbid "discriminatory" renewal pricing:

> In addition, Registry Operator must have uniform pricing for renewals of domain name registrations ("Renewal Pricing"). For the purposes of determining Renewal Pricing, the price for each domain registration renewal must be identical to the price of all other domain name registration renewals in place at the time of such renewal, and such price must take into account universal application of any refunds, rebates, discounts, product tying or other programs in place at the time of renewal. The foregoing requirements of this Section 2.10(c) shall not apply for (i) purposes of determining Renewal Pricing if the registrar has provided Registry Operator with documentation that demonstrates that the applicable registrant expressly agreed in its registration agreement with registrar to higher Renewal Pricing at the time of the initial registration of the

domain name following clear and conspicuous disclosure of such Renewal Pricing to such registrant, and (ii) discounted Renewal Pricing pursuant to a Qualified Marketing Program (as defined below). The parties acknowledge that the purpose of this Section 2.10(c) is to prohibit abusive and/or discriminatory Renewal Pricing practices imposed by Registry Operator without the written consent of the applicable registrant at the time of the initial registration of the domain and this Section 2.10(c) will be interpreted broadly to prohibit such practices.

This means that Google is only allowed to increase a domain's renewal price if it also increases the renewal price of all other domains. If Google wants to charge more to renew a "premium" domain, the higher price must be clearly and conspicuously disclosed to the registrant at time of initial registration. This prevents Google from holding domains hostage: they can't set a low price and later increase it after your domain becomes popular.

(By displaying prices in lira instead of USD for forum.dev, did Google violate the "clear and conspicuous" disclosure requirement? I'm not sure, but if I were a registrar I would display prices in the currency charged by the registry to avoid misunderstandings like this.)

I wouldn't assume that the .com price caps will remain forever. .org used to have price caps too, before switching the standard registry agreement in 2019. But even if .com switched to the standard agreement, we probably wouldn't see "premium" .com domains: at this point, every .com domain which would be considered "premium" has already been registered. And Verisign wouldn't be allowed to increase the renewal price of already-registered domains due to the need for disclosure at the time of initial registration.

There ain't no rules for ccTLDs (.io, .tv, .au, etc.)

It's important to note that registries for country-code TLDs (which is every 2-letter TLD) do not have enforceable registry agreements with ICANN. Instead, they are governed by their respective countries (or similar political entities), which can do as they please. They can sucker you in with a low price and then hold your domain hostage when it gets popular. If you register your domain in a banana republic because you think the TLD looks cool, and el presidente wants your domain to host his cat pictures, tough luck.

This is only scratching the surface of what's wrong with ccTLDs, but that's a topic for another blog post. Suffice to say, I do not recommend using ccTLDs unless all of the following are true:

- You live in the country which owns the ccTLD and don't plan on moving.
- You don't expect the region where you live to secede from the political entity which owns the ccTLD. (Just ask the British citizens who had .eu domains.)
- You trust the operator of the ccTLD to be fair and competent.

Further Complications

To make matters more confusing, sometimes when you buy a domain from a registrar, you're not getting it from the registry, but from an existing owner who is squatting the domain. In this case, you pay a large upfront cost to get the squatter to transfer the domain to you, after which the domain renews at the lower, registry-set price. It used to be fairly obvious when this was happening, as you'd transact directly with the squatter, but now several registrars will broker the

transaction for you. The Google registrar calls these "aftermarket" domains, which I think is a good name, but other registrars call them "premium" domains, which is confusing because such domains may or may not be considered "premium" by the registry and subject to higher renewal prices.

Yet another confounding factor is that registrars sometimes steeply discount the initial registration fee, taking a loss in the hope of making it up with renewals and other services.

To sum up, there are multiple scenarios you may face when buying a domain:

Scenario	Initial Fee	Renewal Fee
Non-premium domain, no discount	$$	$$
Non-premium domain, first year discount	$	$$
Premium domain, no discount	$$$	$$$
Premium domain, first year discount	$$	$$$
Aftermarket non-premium domain	$$$$	$$
Aftermarket premium domain	$$$$	$$$
ccTLD domain	Varies	Sky's the limit!

I was curious how different registrars distinguish between these cases, so I tried searching for the following domains at Gandi, GoDaddy, Google, Namecheap, and name.com:

- **safkjfkjfkjfdkjdfkj.com** and **nonpremium.online** - decidedly non-premium domains
- **8b.dev** - premium domain
- **dnsarchive.com** - aftermarket domain

Gandi

Non-premium domain, no discount:

safkjfkjfkjfdkjdfkj.com $ 17.75 /year

Non-premium domain, first year discount:

nonpremium.online   -85% $ 29.99 $ 4.50 1 year
                                                           then $ 30.46 /year

Premium domain:

8b.dev **Premium** $ 779.05 /year

Gandi does not seem to sell aftermarket domains.

GoDaddy

Non-premium domain, first year discount:

safkjfkjfkjfdkjdfkj.com

$19.99 $0.01 for the first year with a 2 year registration

Your domain is available!

nonpremium.online

$49.99 $1.99 for the first year

Premium domain:

PREMIUM

8b.dev

$929.99 $929.99/yr when you renew
This is a premium domain, priced by a partner domain registry.

Aftermarket domain:

⑦Premium Domain

dnsarchive.com is available
$4,888 +$19.99/yr⑦

Google

Non-premium domain, no discount:

safkjfkjfkjfdkjdfkj.com   Exact match $12/year   🛒

Premium domain:

8b.dev Premium More secure Exact match $720/year 🛒

Aftermarket domain:

✅ dnsarchive.com Aftermarket Exact match $4,900 + $12/year 🛒

Namecheap

Non-premium domain, first year discount:

✔ safkjfkjfkjfdkjdfkj.com $6.98 WITH NEWCOM698 ⓘ $7.98/yr   🛒
                                                         Retail $13.98/yr

✔ nonpremium.online $8.88 FOR 2 YEARS $1.88/yr   🛒
                                                      Retail $32.98/yr

Premium domain:

✔ 8b.dev PREMIUM ⓘ $843.70   🛒

Aftermarket domain:

✔ dnsarchive.com PREMIUM ⓘ $4,888.00   🛒
                                    Renews at $14.58/yr

name.com

Non-premium domain, first year discount:

Your search is available!   ON SALE
nonpremium.online $34.99 / $1.99   ADD TO CART
♡

Premium domain:

Your search is available!   PREMIUM
8b.dev $811.25   ADD TO CART
♡   RENEWAL: $811.25

Aftermarket domain:

Your search is available!
dnsarchive.com

PREMIUM
$5,621.20
RENEWAL: $15.99

ADD TO CART

Thoughts

I think Gandi and Google do the best job conveying the first year and renewal prices using clear and consistent UI. Namecheap is the worst, only showing a clear renewal price when it's less than the initial price, but obscuring it when it's the same or higher (note the use of the term "Retail" instead of "Renews at", and the lack of a "/yr" suffix for the 8b.dev price). name.com also obscures the renewal price for nonpremium.online (I very much doubt it's $1.99). GoDaddy also fails to show a clear renewal price for the non-premium domains, but at least says the quoted price is "for the first year."

My advice is to pay very close attention to the renewal price when buying a domain, because it may be the same, lower, or higher than the first year's fee. And be very wary of 2-letter TLDs (ccTLDs).

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