

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT  
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) April 5, 2020

**Redfin Corporation**

(Exact name of registrant as specified in its charter)

<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>001-38160</b> (Commission File Number)	<b>74-3064240</b> (I.R.S. Employer Identification No.)
<b>1099 Stewart Street</b> <b>Seattle</b> (Address of principal executive offices)	<b>Suite 600</b> <b>WA</b>	<b>98101</b> (Zip Code)
<b>(206) 576-8333</b> Registrant's telephone number, including area code		

(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	RDFN	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.05 Costs Associated with Exit or Disposal Activities.**

Due to the impact of COVID-19 on our business, on April 5, 2020, we decided to reduce our number of employees by approximately seven percent. We expect to complete this workforce reduction by the end of April 2020. As a result of this workforce reduction, we expect to incur a pre-tax charge for one-time termination benefits, which consist of severance and related costs, between approximately \$2.9 million and \$3.3 million in the second quarter of 2020. We expect to incur a cash outlay for all of these charges in the second quarter of 2020.

*Forward-Looking Statements*

This report contains forward-looking statements within the meaning of federal securities laws, including the estimated range of the charge, and related cash outlay, resulting from our workforce reduction, as well as when such charge and related cash outlay will occur. We believe our expectations related to these forward-looking statements are reasonable, but actual results may turn out to be materially different. Factors that could cause actual results to differ materially from the forward-looking statements include our inability to successfully implement the workforce reduction, a change in the number of employees being terminated as part of the workforce reduction, and the adverse impact of COVID-19 on the U.S. economy, the residential real estate industry, and our business. For additional factors, please see the risks and uncertainties identified under the heading "Risk Factors" in our Annual Report for the year ended December 31, 2019, which is available on our Investor Relations website at <http://investors.redfin.com> and on the SEC website at [www.sec.gov](http://www.sec.gov). All forward-looking statements reflect our beliefs and assumptions only as of the date of this report. We undertake no obligation to update forward-looking statements to reflect future events or circumstances.

**Item 7.01 Regulation FD.**

On April 7, 2020, Glenn Kelman, our Chief Executive Officer, published an article at [www.redfin.com/blog](http://www.redfin.com/blog) discussing the workforce reduction, among other matters. A copy of the article is furnished as Exhibit 99.1 to this report.

**Item 9.01 Financial Statements and Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
99.1	<a href="#">Article published April 7, 2020</a>
104	Cover page interactive data file, submitted using inline XBRL

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Redfin Corporation**  
(Registrant)

Date: April 7, 2020

/s/ Chris Nielsen \_\_\_\_\_  
Chris Nielsen  
Chief Financial Officer

## **A Big Redfin Furlough, With Some Permanent Departures**

Forty-one percent of our wonderful agents are leaving Redfin this Friday, together with the wonderful coordinators, recruiters, renovators and others who support those agents. The great majority will go on furlough until September 1, with a transition bonus and health-care benefits through the summer. But we're also asking some to leave for good, including new hires who hadn't met a customer or completed their training before our offices closed a month ago.

### **Lower Pay for Headquarters**

The people who build the technology and programs behind our brokerage are staying, albeit with a small number of departures, and a temporary salary cut of 10% - 15%. We're also canceling these folks' bonuses for the year. Even at lower pay, we'll need that team's best effort to drive demand through our website, so our agent workforce can come back at full strength. We'll stick with our commitment to pay our remaining agents a higher base salary this spring, so that everyone still working earns a living wage.

### **Furloughed Employees May Get More in Unemployment Insurance**

We're relieved that the people who have to leave Redfin will also get more support. We decided on this large-scale furlough because fewer people are buying and selling homes, but another factor was the federal government's \$600 weekly contribution to each person's unemployment insurance.

Of the field folks leaving, we estimate about 75% live in states that will allow them to earn more from unemployment insurance than from Redfin. This estimate assumes every state opts in to the CARES Act; it doesn't account for those who, because of their work history, may not qualify for unemployment payments, or for the maximum amount of unemployment payments.

This estimate also doesn't account for how important it is for our workers to feel safe in their jobs. No matter how much unemployment insurance the government pays, letting people go, even temporarily, is an unnatural act that we hate having to do.

### **Steady Employment in an Up-and-Down Real Estate World**

The housing market's ups and downs have always made it hard to build a caring culture in real estate, with employees earning steady income and benefits. In talking about the prospect of a recession, we always said we'd give up a few points of growth so that we can keep our covenant with our employees.

We still have had to furlough people today because of a downturn, but it wasn't because we didn't try to trade growth for job security. Every year, we've hired about 25% fewer agents than could be supported by the demand from Redfin.com, so that even if demand fell 25%, our workforce would still be at 100% productivity. Now housing demand is down much more than that.

### **The Short-Term is Bad. The Long-Term is Good.**

It's hard for any business to prepare for an event of this society-shaking magnitude, but we want to be careful not to conflate our short-term and long-term prospects. Our short-term prospects are glum. But our long-term competitive position is strong. Housing isn't a fad or a luxury good; demand for a basic need like shelter can only be deferred, and only for so long.

### **Why We'll Win**

And the only major challenge for our strategy is just to execute it faster. In a world where we all have to conduct commerce virtually, no brokerage has better technology than Redfin. When this pandemic ends,

the world will mostly go back to the way it was, but more homebuyers will preview homes online, not just through photos but now via videos and three-dimensional scans. Some may find themselves a few hours from making an offer before meeting an agent. That agent will often be a Redfin agent, available on-demand, in-person or online. The listings that will shine the brightest in this virtual-shopping world will be the homes listed by Redfin agents.

### **Our Work Is More Important Than Ever**

Today is the worst day for Redfin, but the service being performed by the agents and support staff who will remain is more important than ever. Fewer people are selling a home right now by choice. The customers we have left are themselves often going through trauma: we still see newlyweds and newborns, but now more job losses, sickness and divorce. Our customers are packing up one life, and starting another that hopefully turns out better. Their reviews of our agents may be less triumphant than before; their gratitude is certainly more hard-earned. But it's the intensity of that gratitude that's now pulsing through our work.

### **Thank You to Our Employees**

The pandemic will end. Redfin, and our whole-hearted but still imperfect efforts to care for our employees, will endure. To those who have been asked to leave Redfin today, thank you. I can't imagine the grief we've caused you. I'm sorry we let you down. We'll fight like wild animals to bring everyone on furlough back.