

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 30, 2020

Redfin Corporation

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	001-38160 (Commission File Number)	74-3064240 (I.R.S. Employer Identification No.)
1099 Stewart Street Seattle (Address of principal executive offices)	Suite 600 WA	98101 (Zip Code)
(206) 576-8333 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 7.01 Regulation FD.

On April 30, 2020, Adam Wiener, our chief growth officer, published an article at www.redfin.com/blog. A copy of the article is furnished as Exhibit 99.1 to this report.

Item 9.01 Financial Statements and Exhibits.

Exhibit Number	Description
99.1	Article published April 30, 2020
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 30, 2020

/s/ Chris Nielsen _____
Chris Nielsen
Chief Financial Officer

New Listings Lag Home-Buying Demand, Homes for Sale in Redfin Markets at Five-Year Low

Just the Facts: Four Key Housing Market Takeaways For This Week

- Home-buying demand is making a speedy recovery, down only 15% from pre-pandemic levels
- Buyers are nervous, but continue to pay up. Prices are up 1% compared to last year and affordable homes are selling like hotcakes
- New listings are up from their low-point on April 13, but can't keep up with home-buying demand. There are fewer than 700,000 homes for sale in Redfin markets; a five-year low
- Mortgage rates are low, but credit is still tight. Lenders are demanding big down payments, especially for high-end homes, forcing some buyers to put their purchases on hold

Home-buying demand continues to climb

Home-buying demand took another step towards recovery, gaining strength for the third week in a row. After plummeting as much as 34% in March, home-buying demand is now down only 15% from pre-coronavirus levels on a seasonally-adjusted basis for the seven days ended on Sunday, April 26.

Will the housing recovery survive re-starting the economy?

While the recovery in home-buying demand is starting to look more and more v-shaped, the question buyers and sellers are asking our agents is what will happen as states begin to lift stay-at-home orders? Will a burst of new inventory from sellers who have been trying to outlast the pandemic lead to lower prices? Or will sellers stay on the sidelines while buyers, hopped up on ultra-low interest rates, bid up the limited number of homes on the market?

So far, the reality is a modest increase in new listings and pending sales. In the seven days ended April 24, almost 53,000 new homes hit the market compared to just over 48,000 for the seven days ended April 13; the date new listings hit their lowest level over the past two months. More new listings have been accompanied by more sales, with pending sales up from fewer than 31,000 in the seven days ended April 13 to more than 32,500 for the seven days ended April 24.

Despite the increase in new listings over the past two weeks, there were fewer than 700,000 homes for sale in Redfin markets across the U.S., which is the lowest inventory level we've seen anytime in the past five years.

Some of the new inventory hitting the market may be coming from buy-and-hold investors. Since the beginning of the pandemic, we've heard stories of Airbnb landlords with sudden unexpected vacancy putting their homes up for sale. This week, we started to hear of more long-term rentals hitting the market. Marshall Carey, a Redfin agent in Washington D.C., said several clients decided to list because the college students who normally lease their units have headed home early. Across the country in Tacoma, Washington, Redfin agent Amber Allin has clients who are selling several long-term rental properties to free up cash for investments outside of real estate.

Overall prices are up just a touch, affordable homes are still selling like hotcakes

Even though some investors may be headed for the exits, prices have held steady. For the seven days ended April 24, the median listing price was \$308,000, up 1% compared to the same period the prior year. Octavia Valencia, a Redfin agent in Atlanta says, "Buyers and sellers are in a deadlock. Buyers are asking 'is now the right time,' and making more conservative offers, but sellers are not willing to come down on price." Graham Rogers, a Redfin agent in South Carolina added, "In the end, buyers are paying up to hit the seller's bottom-line number."

Affordable, single-family homes is the segment of the market where sellers have the biggest advantage. Agents across the country are reporting that these homes often generate bidding wars with prices sometimes escalating tens of thousands of dollars above the asking price.

At higher price points, homes have to be well-priced and move-in ready. Rogers added, "Unless they're looking for a fixer, buyers want everything to be done. People aren't looking to spend an extra ten to fifteen thousand dollars to fix the place up, and now you don't know when you can get contractors into your home. It's tough to get bids. It's tough to get a timeline."

Rates are low, but deals are taking longer and some buyers are struggling with lending requirements

Mortgage rates ticked down this week to about 3.25%. That's almost 0.5% lower than they were at the beginning of April, and approaching the all-time lows we saw back in early March. Fannie Mae forecast that rates will continue to fall, and could dip below 3.0% for the first time ever in 2021.

Lower rates are making monthly payments more affordable; the 0.5% decline in rate reduces the monthly payment on a \$300,000 home by \$65 per month. But it is taking more patience to bring a deal together. Time to close a transaction once the buyer and seller have agreed on price increased to almost 31 days for the seven days ended April 18. That's up from 27 days in the last week of February before the pandemic started and the longest closing time we've seen since July of 2017.

Lenders are still overwhelmed by the boom in refinance applications driven by the low rates, and now we're hearing from our agents that appraisals are taking longer due to coronavirus-related work restrictions. Carlos Barrientos, a Redfin agent in San Francisco, reports that appraisers have also gotten more conservative. "Appraisers will look at three similar homes and take the lowest of the three rather than taking an average. Even if one home has a great view or something special, they aren't giving out any extra credit." When this happens, it kicks off a whole new negotiation between the buyer and seller over how to cover the difference because lenders will only lend up to the appraised value. Barrientos added, "On top of appraisals, some buyers are struggling with lending requirements. They have a 10% down payment, but suddenly the bank requires 20%. Now they have to wait."

That's it for this week. Please stay safe, and if you can, stay home. If you're out on the front lines, please accept the most sincere thanks from everyone here at Redfin.

Redfin is publishing this housing-market update as a way to inform our customers, not our investors. Even though we're notifying investors through a government filing about this customer update, we're not updating, withdrawing, or affirming the first quarter financial guidance we issued on February 12, 2020. Unless otherwise noted, all data in this update is as of April 29, 2020.