

**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) June 12, 2022

**Redfin Corporation**

(Exact name of registrant as specified in its charter)

<b>Delaware</b>	<b>001-38160</b>	<b>74-3064240</b>
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)
<b>1099 Stewart Street</b> <b>Seattle</b>	<b>Suite 600</b> <b>WA</b>	<b>98101</b>
(Address of principal executive offices)		(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 market conditions, on June 12, 2022, we decided to reduce our number of employees by approximately 470 employees, which represents approximately six percent of our total employees. We expect to complete this workforce reduction by the end of June 2022. As a result of this workforce reduction, we expect to incur a pre-tax cash charge for one-time termination benefits, which consist of severance and related costs, between approximately \$9.5 million and \$10.5 million in the second quarter of 2022.

*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 and a change in the number of employees being terminated as part of the workforce reduction. 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, 2021, as supplemented by our quarterly report for the quarter ended March 31, 2022, each of 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.**

The estimated severance and related costs described in item 2.05 were not included in our second quarter 2022 guidance that we had provided on May 5, 2022.

On June 14, 2022, Glenn Kelman, our chief executive officer, published an article at [www.redfin.com/blog](http://www.redfin.com/blog) discussing the workforce reduction. 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 June 14, 2022</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: June 14, 2022

/s/ Chris Nielsen  
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Chris Nielsen  
Chief Financial Officer

I'm sorry to say that we're asking about 8% of our employees to leave Redfin today, or about 6% if you include the people of RentPath and Bay Equity. For the next few hours, managers will call the people leaving. When we're done with the calls, I'll send out a note. We'll host a brief all-hands meeting at 11 a.m. PDT to answer any questions, which you can submit via this form. Redfin will also announce the layoff to the public, posting this message to our blog.

### **Demand Is Off By 17%**

To all the departing people who put your faith in Redfin, I'm sorry we can't keep our commitment to you. With May demand 17% below expectations, we don't have enough work for our agents and support staff, and fewer sales leaves us with less money for headquarters projects.

### **Two to Four Months of Severance**

We're offering laid-off colleagues ten weeks of base salary, with an additional week of pay for every 12 months of service beyond one year, capped at 15 weeks of pay. For agent and support roles, severance pay includes the estimated value of productivity bonuses or sales bonuses. We'll also pay departing employees the cost of extending our healthcare coverage for three months. This should give you until the end of the summer to find work.

### **I Said We Wouldn't Lay People Off Unless We Had To. We Have To.**

A layoff is always an awful shock, especially when I've said that we'd go through heck to avoid one, and that we raised hundreds of millions of dollars so we wouldn't have to shed people after just a few months of uncertainty. But mortgage rates increased faster than at any point in history. We could be facing years, not months, of fewer home sales, and Redfin still plans to thrive. If falling from \$97 per share to \$8 doesn't put a company through heck, I don't know what does.

### **It's Time to Make Money**

We're losing many good people today, but in order for the rest to want to stay, we have to increase Redfin's value. And to increase our value, we have to make money. We owe it to everyone who has invested your time or treasure in this company to become profitable, and then very profitable.

### **A Performance-Oriented Culture**

Today's layoff is the result of shortfalls in Redfin's revenues, not in the people being let go, but before now our culture has been making an important shift toward performance and profits. There's a reason that Redfin, alone among brokers, employs our agents: to hold ourselves to a higher standard. Jason Aleem agreed to become the leader of our brokerage four months ago on the condition that he would run it as an elite sales organization. We can only introduce an agent to a dozen customers each month if we believe that agent is best for our customers. And if we hold our front-line agents to a high standard, we have to apply that same standard to all of us standing behind the agent. It isn't soulful to turn on people at their first sign of weakness; but it isn't soulful either to accept mediocrity. Having a soul is how we find our way between those two poles.

### **Profit-Driven Decisions**

The other major difference between Redfin and other brokers is our level of investment in software and support, which includes coordinators and support agents as well as field managers, renovators, lenders, offer specialists and title specialists. There's a reason for that too: to create a competitive advantage for our customer and ourselves. Our software and support are the industry's best. But if our agents, lenders and customers wouldn't themselves pay for an improvement in our software or support, preferring instead to work with a company with less overhead and better economics, we can't pay for that improvement. This is a discipline that we need every leader, not just execs, to embrace. Fewer projects. Smaller teams. Shorter documents. Less analysis. Keep it simple.

### **Where We're Cutting**

Because for every project we start, we have to think about another we'll stop. We've already built tools for teams to work together on a transaction, so we need fewer engineers to add to those tools. We'll spend less on analytics and user research. When we were turning away tens of thousands of customers in 2020 and 2021, we had to hire a thousand employees a month to catch up, requiring berserk levels of recruiting, training and licensing. There's no avoiding that those groups will be hardest hit today.

### **What We're Still Funding**

What we're still investing in are exactly what our agents, lenders and customers value most: the online presence to drive demand; on-the-spot tours to see homes first; low prices for listing customers who need every penny from their property for their life's next stage; RedfinNow and renovations for selling homes quickly at high prices; and other innovative services that only Redfin agents can offer customers. We'll also look for ways to invest more in the agents who can be an engine of the company's growth: any agent can meet her first customers through Redfin.com, but our best agents cultivate repeat and referral sales via those customers over time.

### **Still a Place for Big Bets**

We'll keep taking big bets, but only if there's a big payoff: in traffic to our site, in the success of our customers, in the range of services we can offer those customers. We bet millions on better brokerage service in 2022 because we believe that customer success rates will increase, making our most lucrative business more efficient. We bet on rental listings because becoming a complete real estate destination can let us surpass our rivals in traffic, increasing our value by billions. We're investing in online tools to guide RedfinNow offers, which should lead to faster service and more profits. We're shifting our software to the cloud, increasing reliability and lowering maintenance costs even as more innovations roll out from more teams. If you want to take a big bet, know your customer better than anyone else; be honest with yourself about whether the outcome would matter to that customer; and cut our losses if the outcome doesn't come.

### **Where Do We Go From Here**

Redfin will grow more slowly in a housing downturn, but we'll still grow, and our share gains will accelerate. The world will write us off, as it has before. What will be most painful is the effort some of you will have to go through to think of ourselves as a good employer. Part of being good is accepting when the company has fallen short of that, without forsaking our determination to do better. We have broken our commitment to our people, twice now in three years. We can't shrink from doing what's best for the whole company, not just one part of it, today and every day. But I'll spend the rest of my life wondering how I could've avoided these layoffs. What's most important now is treating the people leaving with humanity and respect. As always, you can call or email me to vent, grieve, ask questions, or get help figuring out your next move. A list of frequently asked questions about the layoff is on our intranet.