

REDFIN

REDFIN / REDFIN REALTY / REDFIN INC.

OVERVIEW:

- Traditional brokerage in terms of fees & MLS
- Has two basic services:
 - Full service where they charge 2.5% to list
 - A 1% listing fee with LOTS of hidden catches!
- Redfin “kicks back” to buyer a percentage of the buyer’s agent commission when buying with Redfin.

- Redfin has a normal listing commission structure where it is a normal 2.5%+ on each side and the house sells in a traditional sense.
 - This product is NO different from a traditional brokerage but lacks the personal attention and dedication of a traditional agent.
 - Redfin boasts and advertises its 1% listing service:
 - This product only applies WHEN THE SELLER AGREES TO BUY THEIR NEXT HOME WITH REDFIN at a full 2.5%+ buy side commission!!
 - Redfin advertises “more buyers visit Redfin.com than any other brokered site. So your house attracts more buyers and sells for more than the house next door.”
 - This is fundamentally and statistically WRONG.
 - Just because a buyer sees a house on Redfin, DOES NOT mean that increased the number of buyers in the buying pool. Either a buyer is in the market or they aren’t.
 - Houses sell for more when there are more buyers bidding on a house (low inventory) or when there is an incentive (like the 7% technique) for a buyer/buyer’s agent to increase their price.
 - There is no greater number of buyers in the market regardless of where they see a house for sale. Real estate has a shared data structure (IDX) where all websites have almost all houses on them.
- Example: If Honda sells the most cars, they still cannot say that they put more car drivers on the road. If they didn't buy the car at Honda, they would buy it at the next dealership. Honda cannot factually say that they increase the number of drivers on the road, simply because they have more people walk on their parking lot than Ford. And they certainly cannot say that because they have more people on their lot, cars sell for a higher price. Their cars sell for exactly what the market will bear, in that area, regardless of the car lot.

Buying with Redfin:

Buying with Redfin:

- Redfin offers a unique “buyer proposition” to buyers who buy homes using Redfin as the buyer’s agent.
- Redfin offers a “kick back” to buyers who use Redfin as the buyer’s agent of a percentage of the buyer’s agent commission when purchasing an MLS listed home with Redfin.
- However this percentage of the kick back of the total commission on the buy side can be very small. Sometimes as little as 5% of the commission.
 - Thus if the commission on the buy side in the MLS is 2.5% of \$1,000,000 home, then the total commission to the buy side is \$25,000. Redfin sometimes kicks back as little as \$1250 of this to the

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NEW 31 HRS AGO

3D Walkthrough Street View

1909 Stratton Ct, Colleyville, TX 76034

\$1,249,900 Buy with Redfin: \$1,244,407 Beds Baths 5.5 5,372 Sq Ft

Go tour this home

EXQUISITE 5 BEDROOM CUSTOM HOME in the highly sought after Broughton subdivision. Meticulous detail and design flow through the home hosting beautiful hardwood floors, 3

Redfin.com calculates how much of the buyer side commission they will give back to the buyer and reduces the cost of the house by this much.

Schools Favorite X-Out Share

Go tour this home

ITREIS

31 hours

\$145/month

Buy with a Redfin Agent and get \$5,493 back.

Start an Offer

Ask a Question

Redfin.com is also the ONLY website that currently publishes the Buyer's Agent commission percentage as public information. This is where they establish how much to “kick back.” In this case it is less than \$6,000 on a \$37,497 commission.

Year Built	2003	Style	Single Detached, Traditional
Community	Broughton	Lot Size	0.39 Acres
MLS#	14674549		
Price Insights			
List Price	\$1,249,900	Est. Mo. Payment	\$7,008
Redfin Estimate	\$1,245,595	Price/Sq.Ft.	\$233
Buyer's Brokerage Commission	3.0%		