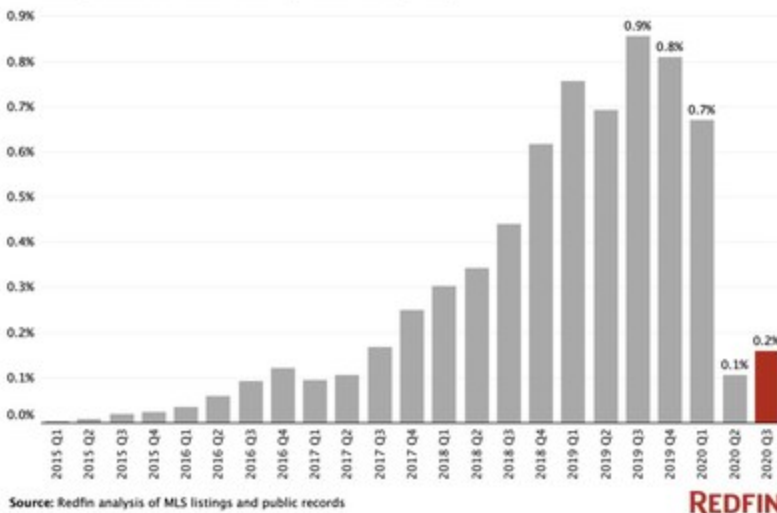


## iBuyer Home Purchases Were Down Nearly 80% Year Over Year In the Third Quarter, Redfin Reports

**As the housing market heated up this summer, selling to an iBuyer became a less attractive option for many profit-minded homeowners.**

SEATTLE, Dec. 21, 2020 /PRNewswire/ -- (NASDAQ: RDFN) -- The nation's top iBuyers purchased about 1,800 homes in the third quarter, according to the latest [analysis](#) on the iBuying market by Redfin ([www.redfin.com](http://www.redfin.com)), the technology-powered real estate brokerage. The leading iBuying companies purchased just 0.2% of homes that sold across the 418 U.S. metros tracked in the analysis, that's down nearly 80% from a year earlier, as iBuyers slowly ramped up business following a temporary shutdown at the start of the coronavirus pandemic. Purchases did increase from the second quarter, when iBuyers bought about 800 homes.

**iBuyer Market Share Remains Far Below 2019 Levels**  
Quarterly share of U.S. homes purchased by iBuyers



The Redfin analysis of MLS and public records data identifies home purchases and sales made by the most well-known national iBuyers, including RedfinNow, Opendoor, Zillow and Offerpad. The term "iBuyer" (short for instant buyer) is used to describe real estate companies that purchase houses from homeowners in quick, cash transactions by using algorithms to evaluate a property's worth based on comparable market data. iBuyers typically charge sellers a higher fee than a traditional real estate agent would given the certainty of a cash offer with a flexible move-out day and the convenience of avoiding home prep, showings and open houses. These companies then make any necessary improvements and resell the homes.

The slowdown in iBuying comes as the rest of the real-estate market is red hot, with home prices [rising](#) 15% nationally and pending sales up twice as much.

"The hotter the market, the less attractive it is for home sellers to let an iBuying company take a cut of the sale," said Redfin Lead Economist [Taylor Marr](#). "With home prices and demand surging, many sellers figure they can sell their home quickly without having to give away any of their profits."

Sabrina Archolecas, an asset manager for RedfinNow in Texas, said that iBuyers are also still ramping back up after putting business on hold at the beginning of the pandemic. Real estate firms including Redfin, Zillow and Opendoor announced in March that they were pausing iBuying as the coronavirus pandemic began to take a toll on the economy. They began reopening their iBuying programs in May and June as housing demand started rebounding amid record-low interest rates and an increase in relocations made possible by remote work.

"We're still playing catch up from the spring, when we stopped buying homes for a few months," said Archolecas, who helps RedfinNow sell homes once the company has bought and renovated them. "We're working on building up the inventory of homes that we can sell."

Many of the homes that RedfinNow is currently focused on purchasing are owned by families who don't have time to do renovations themselves, and need to sell quickly so they can buy their next home, she said.

### **iBuyer Market Share Was the Highest in Phoenix**

Phoenix was home to the highest iBuyer market share, with iBuyers purchasing 1.5% of homes that sold there in the third quarter. Still, that's down from 5.3% a year earlier. It was followed by Charlotte, NC, with a market share of 1%, and Raleigh, NC, at 0.9%.

### **iBuyers Sold Homes More Quickly Than They Did In 2019**

Nationally, iBuyer-owned homes found a buyer after being listed on the market for a median of 13 days, down from 48 days a year earlier and 17 days in the second quarter. By comparison, the typical non-iBuyer home spent 33 days on the market, down from 39 days a year earlier and 37 days in the second quarter.

### **iBuyers Bought Less Expensive Homes Than Last Year**

iBuyers bought homes for a median of \$251,000 in the third quarter, down 2.3% year over year. By comparison, the median purchase price for the typical American homebuyer was \$312,000, up 11.4% year over year.

To read the full report complete with local data and methodology, visit <https://www.redfin.com/news/ibuyer-real-estate-q3-2020>.

### **About Redfin**

Redfin ([www.redfin.com](http://www.redfin.com)) is a technology-powered residential real estate company, redefining real estate in the consumer's favor in a commission-driven industry. We do this by integrating every step of the home buying and selling process and pairing our own agents with our own technology, creating a service that is faster, better and costs less. We offer brokerage, iBuying, mortgage, and title services, and we also run the country's #1 real estate brokerage search site, offering a host of online tools to consumers, including the [Redfin](#)

[Estimate](#). We represent people buying and selling homes in over 90 markets in the United States and Canada. Since our launch in 2006, we have saved our customers over \$800 million and we've helped them buy or sell more than 235,000 homes worth more than \$115 billion.

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