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21 stocks for 2021: Day 9 - Redfin $RDFN

The Bull Case: Redfin calls itself “A Technology-Powered Real Estate Company” whose mission is to “redefine real estate in the consumer’s favor”.
[1/9]

Bull Case Continued: They invented map-based real estate search and have the most visited brokerage website, which translates to low marketing costs. Redfin has a high net promoter score and better repeat business than their competitors.
[2/9]

Bull Case Continued: They have full time agents who are rewarded based on customer satisfaction instead of commission which means their incentives are better aligned with the customer.
[3/9]

Bull Case Continued: Redfin can claim to save customers money (reduced listing fees) and time (more on-time closings) along with offering a complete solution (brokerage, mortgage, title insurance).
[4/9]

Bull Case Continued: Redfin isn’t just an iBuying play. They are prepared for the future of real estate no matter what form it takes: Brokerage, Concierge, Now, Direct. Impressive leadership from CEO Glenn Kelman (CEO for 15+ years).
[5/9]

Bull Case Continued: Residential real estate is a huge and very fragmented market. They are increasing their market share but still only have roughly 1% of the market.
[6/9]

The Bear Case: Lots of strong competition in the space. $OPEN and $ZG are more committed to iBuying if that is the wave of the future. Redfin had to make some drastic moves earlier in the year in response to the pandemic in terms of raising money...
[7/9]



Bear Case Continued: furloughing workers, and shutting down their iBuying program. How would they weather a larger and longer down market in real estate? How do they increase margins when one of their main selling points is offering discounted commissions?
[8/9]

Bear Case Continued: Glassdoor ratings are mediocre and supposedly good agents can make more money working on commission instead of for Redfin.

What am I missing?
[9/9]