

Redfin Shuts Down Its iBuyer Unit. Will Opendoor and Offerpad Survive?

The big news in real estate last week was the announcement by Redfin that it was shutting down its fix-and-flip unit called **Redfin Now** and has terminated 13% of its employees.

The end of the seller's market has left iBuyer firms with homes they paid too much for and can only sell for a loss. A good example of that is **Opendoor's** listing at 2090 Braun Drive in Applewood, which I mentioned in my column on August 11, 2022, under the headline, "**Looking for Good Deal? Opendoor Is Slashing Prices to Clear Its Inventory.**" As the MLS chart at right shows, Opendoor purchased the home on Sept. 3, 2021, for \$638,300, tried to flip it

4 months later for \$652,000, and had already reduced its price to \$620,000 in August. That home is still sitting on the market, and now is priced at \$76,300 less than Opendoor paid for it in 2021.

Opendoor currently has 165 unsold listings on REcolorado, the Denver MLS, and the median days on the MLS is 115 — nearly 4 months. Once a home has been active without selling for about a month, Opendoor starts reducing the price, and pretty soon, their profit margin has disappeared.

In the last 30 days, Opendoor has closed on 68 listings, and the median days on the MLS for them was 90. That median listing was purchased for \$692,700,

Listing History from MLS

ListingID: 2206298 Sts: Active
Parcel #: 031553

2090 Braun Drive, Golden, CO 80401
Residential, Single Family Residence

LA: Tara Jones
LO: Opendoor Brokerage LLC



| Effective Date | Change Type | Prev -> New | Change Timestamp | Days in MLS |
|----------------|----------------|-----------------------------------|---------------------|-------------|
| 11/02/2022 | Price Decrease | \$569,000 -> \$562,000 | 11/02/22 - 11:18 PM | 281 |
| 10/12/2022 | Price Decrease | \$591,000 -> \$569,000 | 10/12/22 - 10:06 PM | 260 |
| 09/28/2022 | Price Decrease | \$594,000 -> \$591,000 | 09/28/22 - 09:57 PM | 246 |
| 09/14/2022 | Price Decrease | \$620,000 -> \$594,000 | 09/14/22 - 10:41 PM | 232 |
| 08/10/2022 | Price Decrease | \$621,000 -> \$620,000 | 08/10/22 - 11:28 PM | 197 |
| 07/28/2022 | Price Decrease | \$631,000 -> \$621,000 | 07/28/22 - 11:24 PM | 184 |
| 05/19/2022 | Price Decrease | \$637,000 -> \$631,000 | 05/19/22 - 04:15 PM | 114 |
| 03/24/2022 | Price Decrease | \$652,000 -> \$637,000 | 03/24/22 - 03:46 PM | 58 |
| 03/02/2022 | Back On Market | PND -> ACT | 03/02/22 - 09:12 AM | 36 |
| 02/25/2022 | Pending | ACT -> PND | 02/25/22 - 11:35 AM | 36 |
| 01/20/2022 | New Listing | ACT -> \$652,000 | 01/20/22 - 08:43 AM | 0 |

Sale History from Public Records

| Sale Date | Sale Price | Norm Buyer Name(s) | Seller Name(s) | Doc. # | Document Type | Title Company | Multi/Split Sale |
|-----------|------------|-----------------------|-----------------|--------|---------------|---------------|------------------|
| 09/03/21 | \$638,300 | Opendoor Property LLC | Smith William L | 129775 | Warranty Deed | Os Nat'l Llc | |

listed at \$760,000 and sold for \$650,000, representing an even bigger loss when you factor in the co-op commission paid to the buyer's agent, renovation costs, and what they paid their staff, not to mention the carrying cost of their investment in the property,

property taxes, and more.

The company reported a \$928 million loss for the third quarter (\$573 million of which was from revaluing its unsold inventory), laid off 550 workers, and saw its

stock price fall to just above \$1. If it falls below \$1 for a month, it will be delisted from NASDAQ. How much longer can Opendoor and Offerpad, its remaining competitor, sustain such losses?

We Took Delivery Last Week of Ford's Electric F-150

Regular readers know me as a committed Tesla fan, currently owning both a 2015 Model S and a 2017 Model X. But I was drawn to make a reservation for the F-150 Lightning as soon as it was announced, and last week a real estate client and I took delivery as co-buyers of a carbonite gray Lightning Lariat model.

My reservation number was still several months out, but the sales manager was able to secure this vehicle from an inventory vehicle shipped to him by Ford. We didn't get to choose any finishes, including color or an extended range battery, but we liked it enough that we bought it.

Initially, the Lightning was promoted with a base price under \$40,000, which understandably attracted hundreds of thousands of reservations. But that was a mirage, much like the \$35,000 base price for the Tesla Model 3 when it was introduced.

Today, the base price for the Lightning is \$51,974, and our Lariat model came with a \$74,474 price tag, plus a \$5,000 dealer mark-up, which we had to accept. The base model doesn't have two driver assistance features I'm used to on my Teslas and which I can't live without — adaptive cruise control and lane-keeping.

So, how do I like our Lightning Lariat? After putting a couple hundred miles on it, I can say that I love it. What surprised me most of all was that the ride at highway speed and on rough pavement was better and quieter



Ford.com photo

than in either of my Teslas.

I love that the Lightning offers a "one-pedal" driving mode, in which you not only have strong regenerative braking, but it brings you to a complete stop, greatly reducing the need to use the brake pedal.

I appreciate the great Apple Play integration for my iPhone. Tesla's iPhone integration is terrible.

At first, I didn't like the lane-keeping feature because, unlike with Tesla, you can't change lane by using the turn signal. But I came to love it because it's always on, such that when I do change lanes, it locks onto the new lane without asking.

Although I would have little use for it, I like that the Lightning has numerous USB and 120V outlets in the front trunk, the cargo bed and inside the cab, plus a 240V outlet in the cargo bed. One feature I'd make great use of is the large work surface that is created when you retract the shift lever and unfold the console cushion.

My client loves the Lightning, too, so I am letting him take ownership.

Golden Real Estate Joins the Fight Against Food Insecurity

Next Tuesday, November 22nd, is "Dignity Tuesday." It was organized by Chuck Lintone of **96.9 The Cloud**, who secured sponsorship from a multitude of Jeffco businesses, including ours, giving away over 100 fresh turkeys, honey baked hams, fresh cut Christmas trees, fresh produce bags, bread, pies and flowers to the radio station's listeners in need.

Up to 200 families will benefit from this free event, which addresses food insecurity in Jefferson County, but there will be no means testing —

it's first-come, first-served for whoever shows up.

The major providers of funding or products and services include Wheat Ridge Poultry & Meats, the Rotary Club of Golden, BGoldN, Sunflower Bank, and Grateful Bread, to name just a few. We are a financial sponsor, in addition to providing our truck.

The event will be held in the parking lot of New Hope Community Church, **16800 W. 9th Ave.**, in Pleasantview, starting at noon on Tuesday, November 22nd.

Back on the Market: Townhome Backing to Greenbelt

This end unit with finished walk-out basement at **5514 W. Canyon Trail** in the Millbrook Townhomes subdivision backs to a greenbelt with a bike/pedestrian path that connects with the entire metro area trail network via the South Platte River Trail. The master suite takes up the entire second floor. The family room in the basement could be used as a second bedroom, since it has a full-size closet and is next to a 3/4 bathroom. The home was recently painted throughout and is in excellent condition. In addition to its 2 parking spaces, there are 3 guest parking spaces across the private drive. Take the narrated video tour at www.MillbrookTownhome.online, then come to our Saturday open house.



Open Saturday - 11am to 1pm

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