

Zillow lays off 55 employees in Texas as it shuts down its iBuying business

June 29 2022, by Mitchell Parton



Credit: CC0 Public Domain

Zillow Group Inc. will lay off 55 employees in Texas as continues its exit from the home-flipping business.

The [company](#) began the [layoffs](#) with 33 [employees](#) in January and will continue with the remaining employees in phases lasting until August, according to a notice it filed June 17 with the Texas Workforce Commission.

The notice said the layoffs are due to the elimination of its Zillow Offers business, an iBuying service through which Zillow bought, fixed and sold homes for profit in major markets such as Dallas-Fort Worth.

While the notice reported that the affected employees were working for a Zillow office in Coppell, a company spokesperson said the employees were based throughout Texas.

"We intend to make the transition as smooth as possible for everyone affected," the company said in a statement, adding that employees will receive a severance package including at least 10 weeks of pay and six months of benefits. "Laying off employees is always our last choice and not something we take lightly."

The company announced in the fall that it would shut down Zillow Offers and reduce its workforce by about 25% over several quarters. At the time, Zillow Group CEO Rich Barton said forecasting home prices was more unpredictable than it expected, and that continuing to expand the business would lead to too much volatility in its earnings and balance sheet.

"While we built and learned a tremendous amount operating Zillow Offers, it served only a small portion of our customers," Barton said in a third-quarter 2021 earnings release.

Zillow said in May that it paid off all its debt related to buying homes in April, sooner than expected, as homes sold faster and for more cash than the company projected. It stopped buying homes at the end of January

and ended the first quarter with about 1,300 homes in its inventory nationwide that it expected to sell in the second quarter.

Also this month, Plano mortgage lender First Guaranty Mortgage Corp. terminated 428 of its 565 employees, citing difficult market conditions in the mortgage industry as higher rates dramatically reduced home loan demand, especially refinances.

2022 The Dallas Morning News.

Distributed by Tribune Content Agency, LLC.

Citation: Zillow lays off 55 employees in Texas as it shuts down its iBuying business (2022, June 29) retrieved 26 April 2024 from <https://techxplore.com/news/2022-06-zillow-employees-texas-ibuying-business.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.