

Letting Home Sellers Test the Waters Before Listing Could Boost Housing Supply as Much as 12%



Redfin economists estimate annual housing inventory could increase by 6%-12% in markets where home sellers are given the flexibility to test out pricing strategies via 'Private Exclusive' and 'Coming Soon' listings (i.e., phased marketing) before formally putting their homes on the market.

"Every home is unique," said Redfin Senior Economist Asad Khan. "That makes it challenging for owners to know what their home is worth and how to price it to sell—especially when the balance of power in the housing market is shifting rapidly. A lot of homeowners today are reluctant to sell because they don't know how much money they could make and how long it would take to find a buyer. Offering sellers the option to gauge interest in their homes before listing gives them a clearer picture of their property's value. When more homeowners feel confident listing, buyers benefit from more homes to choose from."

This is based on a Redfin analysis that estimates the value phased marketing provides to home sellers from 1) more accurate pricing (the ability to obtain a fair price while reducing price drops and unnecessary time on market) and 2) privacy and convenience.

Redfin last month announced a partnership with Compass International Holdings that will give sellers more flexibility in how they introduce their homes to the market. Compass's 'Coming Soon' listings are now shown on Redfin.com, and in the coming weeks, Redfin users will be able to find out if Compass has a 'Private Exclusive' listing that matches their search area. Rocket, Redfin and Compass International Holdings agree that offering sellers broader flexibility in how they introduce their homes to the market lowers the barrier to entry for sellers to list their homes, resulting in a larger inventory of listings for buyers.

Source for additional information: <https://www.redfin.com/news/private-exclusive-inventory-increase/>

