

ZILLOW[®]GROUP

April 16, 2025

Dear fellow shareholders,

Zillow had an excellent 2024, with strong performance across our business as we successfully seize our opportunity to transform and digitize residential real estate on behalf of consumers, agents and the broader industry.

We have the leading brand and largest and most engaged audience in residential real estate, deep technology expertise, a solid financial foundation, a significant addressable market and a differentiated housing super app strategy on which we are executing well.

By focusing on delighting and empowering customers throughout the moving journey, Zillow has built the largest audience in residential real estate.¹ About two-thirds of the real estate audience uses Zillow somewhere along their journey – more than twice any other company in our category¹ – and 80% of that traffic is coming to us directly and organically. We also have four times the app engagement of the next company in our category² – a lead we've widened in the past year.

Throughout 2024, we grew the breadth and depth of our product offerings and expanded the integrated housing super app experience to more customers, across more markets, while consistently delivering better-than-expected revenue growth and outperforming the residential real estate industry. Our total revenue for the year of \$2.2 billion was up 15% year over year against a housing market that saw 6% total transaction value³ growth.

In February 2025, we released an [investor presentation](#)⁴ to provide an update on our strong execution and why we are confident in our ability to achieve our goals, including our expectation to generate positive GAAP net income in 2025, an important milestone for the company.

¹ Comscore data as of December 2024

² data.ai data as of December 2024

³ Please see the "Use of Operating Metrics" section in our Q4 2024 shareholder letter for more information about our calculation of total transaction value (TTV).

⁴https://s24.q4cdn.com/723050407/files/doc_earnings/2024/q4/presentation/Zillow-4Q24-Investor-Presentation.pdf

For Sale

Our current opportunity and focus across For Sale is to capture more of the potential revenue represented by buyers and sellers already engaging in our funnel. The majority of eventual transactors dream and shop on our apps and sites at some point on their moving journey, and one in four of those chooses to connect with an agent through Zillow, and yet only a single-digit share of customer transactions⁵ are currently completed through Zillow and our partners. To capture this significant opportunity in our For Sale revenue category, we are focused on advancing a few key areas.

First, we are building the experience we know buyers, sellers, and industry professionals want — one that is streamlined, tech-enabled, and integrated in Zillow's housing super app.

On Zillow, movers can choose their agent, choose how to sell their current home, and book a tour as easily as they book a restaurant reservation online. With Zillow Home Loans, buyers can shop based on their individual affordability with the [BuyAbility](#) feature and get digital pre-approval. Agents can use Zillow's products and services to understand their clients' needs, manage tours, win listings, see how they're performing, help clients learn about their financing options and, increasingly, handle title and closing. And in select markets, both parties in a transaction are now able to communicate and collaborate directly in the Zillow app, enabled by Follow Up Boss, an industry-leading customer relationship management system we acquired at the end of 2023.

Second, we are laser-focused on connecting high-intent buyers on Zillow with high-performing real estate professionals, ultimately converting more shoppers into transactors and increasing Zillow's share of transactions. Continuously reducing friction has helped us meaningfully outperform the residential real estate market over the past three years. And we see future drivers of conversion across multiple areas of our business going forward.

For example, we've seen touring connections convert at three times the rate of other actions on Zillow. As of the end of 2024, our Real Time Touring product is nationwide, and 33% of our connections come through Real Time Touring. We're routing these connections to some of the top agents and teams across the country: 80% of Zillow Premier Agent partners are in the top 20% of producers nationwide.⁶ And we're enabling real estate professionals to do their jobs even more effectively with tools like Follow Up Boss, which now has Zillow integrated to help agents identify the

⁵ Please see the "Use of Operating Metrics" section in our Q4 2024 shareholder letter for more information about our calculation of customer transaction share.

highest-intent buyers and sellers and serve their clients better. In our Enhanced Markets — the geographic areas where the integrated housing super app experience is most fully realized — more than 80% of connections are being managed by agents using Follow Up Boss as of Dec. 31, 2024.

Third, we are focused on integrating Zillow Premier Agent with our Zillow Home Loans offering. We are executing this integration well, with consistent customer adoption rates in the mid-teens across our most seasoned Enhanced Markets. Buyers transact through Zillow at an 80% higher rate after connecting with both Zillow Home Loans and a Zillow Premier Agent partner, vs. with a Zillow Premier Agent partner only.⁶ By driving adoption of the two offerings together, we've seen purchase loan origination volume increase by 2.6x over the past two years, accelerating growth in our Mortgages revenue.

Fourth, we are expanding our addressable market by developing and scaling seller services since we know two-thirds of buyers are also sellers.

Zillow Showcase, which elevates agents' brand presence on Zillow and provides a better shopper experience through our home-grown AI-powered rich media and floor plan technologies, was on 1.7% of all new listings as of the end of 2024.

Showcase listings [sell faster and for more money](#)⁷ than similar non-Showcase listings on Zillow — meeting what [our research shows](#) are sellers' top two priorities.⁸ And agents who use Showcase on the majority of their Zillow listings are winning 30% more listings than similar agents who don't use Showcase, making it an attractive offering for real estate professionals.

We believe a rising digital tide lifts all boats, which is why we continue to look for ways to improve and expand our offerings for the benefit of the broader residential real estate industry — whether through buying, building, or partnering. Last fall, we made two important moves in that regard: acquiring [Virtual Staging AI](#),⁹ and [announcing](#)¹⁰ an agreement to share Zillow 3D Home tours and interactive floor plans to Realtor.com®.

⁶ Zillow internal data and estimates as of Dec. 31, 2024.

⁷ <https://showingtimeplus.com/showcase-facts>

⁸ <https://www.zillow.com/research/sellers-housing-trends-report-2024-34385/>

⁹ <https://www.zillowgroup.com/news/zillow-group-acquires-ai-company-offering-virtual-staging/>

¹⁰ <https://www.zillowgroup.com/news/new-zillow-and-realtor-com-agreement-expands-access-to-inter-active-listing-media/>

Fifth, we are consistently looking for ways to add new services to make the Zillow experience more integrated and increase our revenue per total transaction value¹¹ along the way.

Each step of the move comes with corresponding Zillow products and services, meaning each step represents an additional driver of potential revenue per transaction for us — through buyer and seller referral fees as well as revenue from loan originations, Showcase listings, and title and closing. And all of these efforts come together in our Enhanced Markets, our go-to-market motion that we have been methodically scaling for the past few years, going deeper in current markets and adding more markets over time.

Rentals

We are also scaling up Zillow Rentals, spending the past several years building a highly differentiated, two-sided marketplace with a comprehensive suite of listings — single-family homes, large multifamily buildings¹² and everything in between. As a result, Zillow is rapidly becoming the nationwide marketplace renters and landlords need.

Renters on Zillow can shop, tour, apply, sign a lease, and pay rent securely. Property managers can use Zillow to list, book tours, screen applicants, create leases, sign them electronically, and collect rent payments — all on one convenient platform.

Our efforts are paying off: Zillow Rentals had a remarkable 2024, gaining more property listings, more traffic, and more revenue than ever.

In May 2024, we released an [investor presentation](#)¹³ focused on our opportunity and execution in Rentals, where we are eyeing an estimated \$25 billion total addressable market.¹⁴ To go after this opportunity, we've built a unique rental platform with 1.9 million active rental listings as of the end of 2024. This has helped us earn the largest consumer rentals audience, with an average of 29 million unique visitors every month¹⁵ — a widening lead over the next company in the category — and the number-one preference among renters.

¹¹ Please see the "Use of Operating Metrics" section in our Q4 2024 shareholder letter for more information about our calculation of For Sale revenue per total transaction value.

¹² Zillow Rentals defines "multifamily" properties as those with 25 or more units.

¹³https://s24.q4cdn.com/723050407/files/doc_earnings/2024/q1/presentation/Zillow-1Q24-Investor-Presentation.pdf

¹⁴ See Part I, Item 1 in our Annual Report on Form 10-K for the year ended Dec. 31, 2024, for further information on this calculation.

¹⁵ Average monthly unique visitors on Zillow Rentals for October–December 2024 according to Comscore data.

The Rentals section of our February 2025 [investor presentation](#)¹⁶ provides an update on this progress. We're now focused on scaling Rentals revenue, and we expect multifamily properties to be the main driver of growth: We ended 2024 with 50,000 multifamily properties on our platform, up from 37,000 at the end of 2023 – and there is room to expand, with an estimated 140,000 total multifamily properties across the country.

In Q1 of 2025, we also announced a partnership with Redfin to provide all of the multifamily listings on their sites, further expanding the reach of multifamily properties that advertise with us, and giving renters on Zillow access to more apartment listings over time. Zillow Rentals' growth has also been buoyed in the past year by our successful partnership to distribute multifamily rental listings on Realtor.com®, as well as our multifamily advertising campaign, both exciting developments that we kicked off in 2024. While our marketing spend has been relatively modest, we strengthened our traffic advantage in the rentals category in 2024, according to Comscore data.

Looking ahead

Across the entire business, we're proud of the progress we're making to improve the experience of getting home. Our strong execution in 2024 built exciting momentum for 2025 and beyond.

Zillow has the leading brand in residential real estate and significant growth opportunities in both For Sale and Rentals, we are executing on a strategy that is working well, and we are doing all of this while maintaining cost discipline. We believe this positions us to deliver sustainable profitable growth for you, our fellow shareholders.

Thank you for your continued support.



Jeremy Wacksman
Chief Executive Officer
Zillow Group, Inc.

¹⁶https://s24.q4cdn.com/723050407/files/doc_earnings/2024/q4/presentation/Zillow-4Q24-Investor-Presentation.pdf

Forward-Looking Statements

This letter contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that involve risks and uncertainties, including, without limitation, statements regarding our future targets and opportunities; the future growth, performance and operation of our business; our business strategies and ability to translate such strategies into financial performance; and the health of, and our impact on, the residential real estate industry. Statements containing words such as “may,” “believe,” “anticipate,” “expect,” “intend,” “plan,” “project,” “predict,” “will,” “projections,” “continue,” “estimate,” “outlook,” “opportunity,” “guidance,” “would,” “could,” “strive,” or similar expressions constitute forward-looking statements. Unless otherwise noted in this letter, forward-looking statements are made based on assumptions as of April 16, 2025, and although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee these results. Differences in Zillow Group’s actual results from those described in these forward-looking statements may result from actions taken by Zillow Group as well as from risks and uncertainties beyond Zillow Group’s control.

Factors that may contribute to such differences include, but are not limited to: the health and stability of the economy and United States residential real estate industry, including changes in inflationary conditions, interest rates, housing availability and affordability, labor shortages and supply chain issues; our ability to manage advertising and product inventory and pricing and maintain relationships with our real estate partners; our ability to establish or maintain relationships with listing and data providers, which affects traffic to our mobile applications and websites; our ability to comply with current and future rules and requirements promulgated by National Association of REALTORS®, multiple listing services, or other real estate industry groups or governing bodies, or decisions to repeal, amend, or not enforce such rules and requirements; our ability to navigate industry changes, including as a result of past, pending or future lawsuits, settlements or government investigations, which may include lawsuits, settlements or investigations in which we are not a named party, such as the National Association of REALTORS® settlement agreement entered into on March 15, 2024; uncertainties related to changes under the new federal administration, including the impact of the recently announced tariffs on the U.S. economy and consumers; our ability to continue to innovate and compete to attract customers and real estate partners; our ability to effectively invest resources to pursue new strategies, develop new products and services and expand existing products and services into new markets; our ability to operate and grow Zillow Home Loans’ mortgage operations, including the ability to obtain or maintain sufficient financing to fund the origination of mortgages, meet customers’ financing needs with product offerings, continue to grow origination operations and resell originated mortgages on the secondary market; the duration and impact of natural disasters, climate change, geopolitical events, and other catastrophic events (including public health crises) on our ability to operate, demand for our products or services, or general economic conditions; our targets and disclosures related to environmental, social and governance matters; our ability to maintain adequate security controls or technology systems, or those of third parties on which we rely, to protect data integrity and the information and privacy of our customers and other third parties; our ability to navigate any significant disruption in service on our mobile applications or websites or in our network; the impact of past, pending or future litigation and other disputes or enforcement actions, which may include lawsuits or investigations to which we are not a party; our ability to attract, engage, and retain a highly skilled workforce; acquisitions, investments, strategic partnerships, capital-raising activities, or other corporate transactions or commitments by us or our competitors; our ability to continue relying on third-party services to support critical functions of our business; our ability to protect and continue using our intellectual property and prevent others from copying, infringing upon, or developing similar intellectual property, including as a result of generative artificial intelligence; our ability to comply with domestic and international laws, regulations, rules, contractual obligations, policies and other obligations, or to obtain or maintain required licenses to support our business and operations; our ability to pay our debt, settle conversions of our convertible senior notes, or repurchase our convertible senior notes upon a fundamental change; our ability to raise additional capital or refinance our indebtedness on acceptable terms, or at all; actual or anticipated fluctuations in quarterly and annual results of operations and financial position; actual or perceived inaccuracies in the assumptions, estimates and internal or third-party data

that we use to calculate business, performance and operating metrics; and volatility of our Class A common stock and Class C capital stock prices.

The foregoing list of risks and uncertainties is illustrative but not exhaustive. For more information about potential factors that could affect Zillow Group's business and financial results, please review the "Risk Factors" described in Zillow Group's publicly available filings with the United States Securities and Exchange Commission. Except as may be required by law, Zillow Group does not intend and undertakes no duty to update this information to reflect future events or circumstances.

Use of Operating Metrics

Zillow Group reviews a number of operating metrics to evaluate its business, measure performance, identify trends, formulate business plans, and make strategic decisions. This letter includes total transaction value ("TTV"), For Sale Revenue Per TTV, and Customer Transactions. Zillow Group uses these operating metrics on a periodic basis to evaluate and provide investors with insight into the performance of Zillow Group's transaction-based product and service offerings, which include Premier Agent, Zillow Home Loans, Zillow Showcase, and Spruce.

Please see the "Use of Operating Metrics" section in our Q4 2024 shareholder letter for more information about our calculation of these operating metrics.

Use of Estimates and Statistical Data

This letter contains estimates and other statistical data made by independent third parties and by Zillow Group relating to the housing market, the mortgage-rate environment, connections, conversion, engagement, growth, and other data about Zillow Group's audience and performance and the residential real estate industry and purchase loan origination industry. These data involve a number of assumptions and limitations, which may significantly impair their accuracy, and you are cautioned not to give undue weight to such estimates. Projections, assumptions and estimates of future performance are necessarily subject to a high degree of uncertainty and risk.