

ZIPREALTY INC. TO SLASH ITS WORKFORCE BY 25% AND CLOSE 11 OFFICES



Due to the continuous decline of the real estate industry, ZipRealty Inc., a California-based real estate company, announced a plan to slash its sales and support employees by over 25% and close down offices in 11 cities to cut the company's expenses and generate savings. ZipRealty revealed that the company is shutting-down its underperforming offices in the following cities: Fresno, California; Charlotte, North Carolina; Minneapolis, Minnesota; Tucson, Arizona; Virginia Beach, Virginia; Hartford, Connecticut and in the five Florida cities of Naples, Jacksonville, Miami, Palm Beach and Tampa. The company aims to save about \$20 million through the job cuts and office closures. The slated restructuring and layoffs will cost ZipRealty about \$3 million. The amount is expected to impact the first quarter sales of the company.

ZipRealty officials said that the company is in the process of slowly eliminating some of its salaried employees with full benefits until its workforce is downsized by about 25% to 35%. The Emeryville company is now shifting its workforce framework to an independent contractor model to avoid paying health benefits and other allowances to its workers that will result in more company savings. However, the company did not provide exact details as to an exact number of workers to be laid off and when such layoffs would occur.

The company officials added that they are expecting their fourth quarter revenue to drop by 20% to 23% from a year ago, which is about \$27 million. ZipRealty will have its 2010 year report ready by March.

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