

More Home Purchases Are Falling Through in an Uncertain Economy

Buyers worried about job prospects are getting cold feet, or realizing that costs will be higher than expected

By *Veronica Dagher* Follow Oct. 31, 2025 5:30 am ET

Quick Summary

- About 15% of home-purchase agreements were canceled in September, up from roughly 13.6% a year earlier, according to Redfin.
- The rising cancellations are being fueled by factors including uncertainty regarding the economy.
- In many cases, buyers have more leverage than they had in the past.

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Trish DaCosta saved for more than five years to buy a home in Nashville, Tenn., and was thrilled when her offer on a roughly \$400,000, three-bedroom house was accepted. Then, a month before closing earlier this year, she was laid off from her job in public relations.

When she learned she lost her job, the first call she made was to her real-estate agent to pull the offer.

"I'm grieving the loss of that house," said DaCosta, 40. "It's really frustrating after years of saving and planning."

A clause in her contract ensured that DaCosta got back her \$4,000 good-faith deposit, but she lost the roughly \$1,100 she had spent on inspections and appraisal fees.

More home-purchase agreements are being scrapped around the country, reflecting an intensifying standoff between buyers and sellers in a largely stalled housing market. About 15% of agreements were canceled in September, up from roughly 13.6% a year earlier, according to the real-estate brokerage Redfin. The rate has generally been climbing all year.

The rising cancellations are being fueled by a range of factors, including uncertainty regarding the economy. More buyers are feeling anxious about their job security, triggering cold feet before closing in some cases, according to real-estate agents.

And with home prices at historic highs, financing for buyers might be falling through or they might realize that ongoing costs such as homeowners insurance or property taxes are higher than they anticipated, said Rick Sharga, founder of CJ Patrick Co., a real-estate consulting firm.

In many cases, buyers simply have more leverage than they have had in years, thanks to the growing inventory of homes that are staying on the market longer. Meanwhile, many sellers with low mortgage rates feel little pressure to sell, one reason home prices are still so high. Sellers who don't get the price they want can simply take their home off the market. In September, about 52% more homes were delisted compared with a year earlier, according to Realtor.com, which is operated by [News Corp.](#), parent of The Wall Street Journal.

The unwillingness to budge on both sides means deals can easily collapse when an inspection reveals any problems.

Bob Graeve, a real-estate agent in West Palm Beach, Fla., recently represented a buyer who was under contract for a \$485,000 home. He said the inspection identified such issues as damaged pipes that could have been resolved for about \$20,000 in repairs. While the seller was willing to drop the price by that amount, the buyer wanted a \$50,000 price cut instead. The deal fell apart.

Buyers risk losing their good-faith deposit if they cancel the deal outside a contract contingency or after certain deadlines. That deposit, often called earnest money, is typically 1% to 3% of the home price. Scrapped deals can hurt sellers, too, if houses are on the market longer and other buyers start wondering if there is something wrong with the property.

Helped by buyers seizing on declining mortgage rates, sales of existing homes rose 1.5% in September from the prior month, according to the National Association of Realtors, providing a lift to the struggling market.

Still, buyers and sellers alike are showing hesitancy around the country. Jacksonville, Fla., for instance, had one of the highest rates of cancellations, at 17.8% in September. Florida has an especially high rate of called-off deals, in part because ample new-housing inventory gives cautious buyers more options, said Chen Zhao, an economist at Redfin.

In other parts of the country where there has been less new construction, cancellations have been relatively muted, underscoring vast regional differences in today's housing market. Nassau County, N.Y., on Long Island, is among the lowest, at just 4.9%.

To reduce the risk of cancellation, sellers should consider getting preinspection reports for the home, roof, structure and pests, and sharing that information with buyers upfront, said Kelley Krock, a real-estate agent in the San Francisco Bay Area. She estimates the reports could cost around \$1,200.

Securing a signed backup offer also provides a quick replacement if the first deal goes south, she said. A backup offer can also act as a powerful motivator, encouraging the initial buyer to stay committed and keeping expectations in check throughout the closing process.

Buyers aren't the only ones backing out of deals, and there are cases in which there is little hope of saving a deal.

Heather McVeigh, a New York City agent, recently worked with sellers who canceled a deal because their own offer on another home fell through after the owner had backed out. The sellers returned the buyer's deposit and took the house off the market.

Write to Veronica Dagher at Veronica.Dagher@wsj.com