**Spooked house hunters are dropping out of the real-estate market as they confront economic uncertainty on many fronts**

Story by Aarthi Swaminathan  • 21h • 4-25-25

Jeremy Applebaum, a real-estate broker in Overland Park, Kan., was out of town when his buyer broke the news by text: They were pulling out of the home-buying process, spooked by the sudden downturn in the stock market.

“‘It’s frightening when you see thousands of dollars vanish,’” he said they told him.

In Miami, the same scenario played out with real-estate agent Ida Schwartz’s buyer. They also did not think it was worth sinking over $1 million into a home in today’s uncertain economic environment, particularly since they were not in a hurry to buy, she recalled them saying.

In San Francisco, one of Redfin agent Sabina Girsh’s buyers suddenly found their budget had shrunk amid the stock-market turmoil. They had planned to use money from their investment account for their down payment; the stock-market downturn’s toll prompted them to hit pause on their purchase.

Those buyers who paused their home purchases aren’t alone. Many prospective buyers across the U.S. — and across income levels — are saying they’re hitting the brakes on one of the biggest purchases they will ever make amid a period of economic uncertainty, real-estate agents and survey data suggest.

The pause in house hunting complicates what was already an elusive recovery for the residential real-estate industry, which has been frozen for the past three years. Home buyers find the current market too expensive due to high prices and high mortgage rates. Even high-income buyers, who had provided a bright spot in an otherwise bleak market, are pulling back as their stock-market portfolios take a nosedive.

The key reason prospective home buyers are pulling back is rising uncertainty. The Trump administration’s policies have caused significant anxiety among consumers, agents said, leading them to delay their purchases. President Donald Trump’s new tariffs on imported goods in particular have upset financial markets, and as a result decreased the amount of wealth that buyers are able to sink into the housing market. Trump’s attempts to drastically reduce the size of the federal government have also caused financial hardship for workers laid off from their jobs.

Buyers are presently struggling with multiple financial uncertainties: Will they lose their job? Will their 401(k) retirement and investment accounts recover from their recent losses? Will mortgage rates and home prices fall, or will they increase substantially? And how will tariffs affect their already high cost of living?

Concerns like these are complicating people’s decision to buy a home. Early survey data suggests that many people are opting to wait it out: In a [survey](https://www.redfin.com/news/survey-tariffs-major-purchase/?mod=article_inline) of U.S. residents conducted between April 10 and 14, real-estate brokerage Redfin found that about a quarter of respondents overall — including 25% of homeowners and 19% of renters — were canceling plans to make a major purchase due to tariffs. Nearly four in 10 respondents, including 41% of homeowners and 31% of renters, said Trump’s tariff policy made them much less likely to make a major purchase such as a car or a home this year.

With forecasters predicting an increased likelihood of recession, that’s “understandably making people wary of putting a big chunk of their money toward a house or a car,” Chen Zhao, the economics research lead at Redfin, said in a [blog post](https://www.redfin.com/news/survey-tariffs-major-purchase/?mod=article_inline).

“Consumers are tightening their belts because they are rightly nervous about their job security and the prospect of paying more for everyday expenses,” she added.

**Stock-market turmoil derails home buyers’ plans**

The stock market’s recent [bumpy ride](https://www.marketwatch.com/livecoverage/stock-market-today-dow-s-p-nasdaq-eye-small-rebound-tesla-earnings-due-dollar-falls-yields-rise?mod=home_lead&mod=article_inline) has alarmed some home buyers. Volatile markets affect the purchasing power of higher-income buyers and those paying for homes in cash, since a substantial portion of their wealth comes from financial markets.

Many tech workers in the San Francisco area have a significant amount of wealth tied up in the stock market, which they tap into for buying homes, Girsh, a Redfin agent in that city, told MarketWatch.

Two of her clients hit the brakes on the home-buying process when the stock market sold off in early April. The money they had for the down payment came from their investments, which suddenly shrunk, she said. “They fully relied on their [investments] to use toward the down payment,” she added. With interest rates still high, a down payment of 20% was standard, Girsh said.

In 2024, the average down payment in California was 18.6%, or nearly $94,000, according to a [report](https://www.realtor.com/research/down-payment-report-april-2025/?mod=article_inline) by Realtor.com. Meanwhile, the median price of a single-family home in the state last year was $884,350 as of March, according to the California Association of Realtors. Girsh’s buyers were looking at homes priced over $1.5 million, which is typical of homes in the Bay Area.

Homes priced over $1 million have largely kept U.S. home sales afloat for the past few months. In February, the latest month for which data is available, sales of homes priced over $1 million rose 11.5% from the same month a year earlier — the biggest increase of any price range.

To be sure, only 7.6% of homes sold in February were in that high-end price range. Still, agents were able to sell homes to buyers who could afford those high prices, due in part to the strong performance of the buyers’ investment accounts.

But all that changed when the stock market fell on the back of Trump’s announcement of sweeping global tariffs on April 2, which he described as “liberation day.” While Trump later issued a 90-day pause on higher tariffs for dozens of countries, uncertainty around tariffs has continued to drive [volatility in markets](https://www.marketwatch.com/story/u-s-stocks-have-been-left-in-the-dust-since-trumps-april-2-tariff-announcement-heres-how-major-assets-stack-up-75be9789?mod=article_inline).

Schwartz, a Miami-based agent with Compass said one of her clients also decided they were done with the home-buying process — for now. “The buyer decided that [they were] going to wait,” she told MarketWatch. “’I’m not in any rush; I have a beautiful home right now … so let me just decide how this plays out,’” she recalled them saying.

An unstable job market has also made some shoppers wary of big purchases. In Kansas, another one of Applebaum’s buyers pulled out because they were worried about their job security.

The couple that The Real Brokerage agent was helping worked for the federal government and were concerned about potentially losing their jobs as the so-called Department of Government Efficiency made massive cuts to government agencies across the board.

Both that couple and Applebaum’s buyer who pulled out due to stock-market losses were “move-up buyers,” a real-estate term that refers to people seeking to sell their current home and purchase a home that is larger, more expensive or in a more desirable area. Pausing their search means staying in their current home for longer.

Not all buyers can stomach the dips, but there are a few contrarians, real-estate professionals say.

Rebecca Heller, a real-estate attorney in New York City, said that in early April, two home sales that she worked on fell through as the markets crashed. But “fortune favors the bold,” she told MarketWatch in an email: Two days later, one of the properties — a $1 million single-family home in the Bronx — found a buyer. They offered to pay 50% in cash and the other half with a loan.

**Will it become cheaper to buy a house?**

With buyers pulling out of the market, home prices are already slowing, reflecting the weaker demand. In March, the typical home’s value grew at the slowest pace for this time of year since 2018, real-estate platform Zillow said in a recent [report](https://zillow.mediaroom.com/2025-04-17-Home-values-flatten-as-sellers-outnumber-buyers?mod=article_inline).

Home values rose by 0.2% in March from the previous month. In some cities, such as San Antonio, Texas, and Tampa, Fla., values were lower month over month.

Some sellers are cutting prices to lure buyers. In March, about 24% of homeowners who were selling their homes cut their asking price, Zillow said.

Sellers are also offering concessions. In the first three months of this year, sellers were dangling perks such as money toward repairs or closing costs, or even mortgage-rate buydowns, where the seller pays extra to bring down the buyer’s interest rate, to reduce the buyer’s total cost of purchasing a home, Redfin [said](https://www.redfin.com/news/home-seller-concessions-march-2025/?mod=article_inline).

In some markets, such as Seattle, 71% of sellers were offering concessions last month, the report added — the highest share among the 24 major U.S. metropolitan areas whose markets Redfin analyzed. Portland, Ore., had the second-highest share of sellers offering concessions.

“A lot of sellers are offering money for mortgage-rate buydowns, and I recently had one seller cover seven months of [homeowners-association] fees for the buyer,” said Chaley McVay, a Redfin real-estate agent based in Portland.