

Biggest Home Sale Collapse Since 2009 Leaves Homeowners Rattled

Story by Ed Foster • 16h 5-5-2025

Biggest Home Sale Collapse Since 2009 Leaves Homeowners Rattled ©Image Credit: Survival World

According to [reporting](#) by Nicole Friedman of The Wall Street Journal, U.S. existing-home sales in March fell a staggering 5.9% from the previous month – the sharpest monthly decline since November 2022. Even more concerning, this was the slowest March sales pace since 2009, during the depths of the financial crisis. The report from the National Association of Realtors (NAR) puts the seasonally adjusted annual sales rate at 4.02 million, a far cry from the high hopes that spring would signal a recovery in housing activity.

Spring is traditionally the busiest time for home buying and selling, as families often try to move before the next school year begins. But in 2025, optimism was short-lived. "Even with more inventory, existing-home sales are struggling to get traction," said Lawrence Yun, chief economist at NAR. This unexpected slump has sent shockwaves through the industry – and is igniting fears that a deeper housing correction is taking hold.

Nicholas Gerli: We're Back in Crisis Territory ©Image Credit: Reventure Consulting

Housing analyst Nicholas Gerli, host of the YouTube channel Reventure Consulting, [emphasized](#) in a recent video that March's collapse in home sales signals something far more serious than a seasonal slowdown. "This was the slowest March for home sales since 2009," Gerli warned, noting that buyer demand is drying up in a way that closely resembles the early stages of the last housing crash.

According to Gerli, it's not just about mortgage rates or economic uncertainty. He argues the biggest reason buyers are sitting on the sidelines is simple: prices are still too high. "The mainstream media keeps blaming 7% mortgage rates," Gerli said. "But our own Reventure poll showed 72% of buyers are waiting because prices are unaffordable – not because of interest rates."

Homeowner Panic Sets In ©Image Credit: Survival World

With buyer demand shrinking, sellers are starting to panic. Gerli cited examples from Florida, where major homebuilders like KB Homes are slashing prices by \$30,000 or more to stay competitive. In cities like Venice, Florida, price cuts of \$60,000 have become increasingly common. "Sellers are waking up," Gerli said. "It's taking 9 or 10 months on the market to finally convince them they've overpriced."

The effect is cascading across the country. Inventory is rising faster than demand, a dangerous imbalance that suggests prices have much farther to fall. Data from Zillow shows that almost one in four listings received a price cut in March – the highest for any March since at least 2018. That's not a sign of a healthy market. It's a sign that the rug is being pulled out.

Supply Climbs, But Affordability Remains Elusive ©Image Credit: Survival World

Nicole Friedman's report also highlighted that supply is indeed increasing. At the end of March, there were 1.33 million homes for sale or under contract, up 8.1% from February and nearly 20% from a year ago. But the rising inventory isn't bringing prices down fast enough. The national median home price in March was \$403,700, up 2.7% year-over-year – the highest on record for the month of March. *

* This paradox, more inventory, fewer buyers, and still-rising prices, is what Gerli refers to as the "bid-ask spread." Simply put, buyers can't afford what sellers are asking, and sellers are unwilling to lower prices to meet market realities. Until that gap narrows significantly, homes will continue to sit unsold. * !

Regional Cracks Forming ©Image Credit: Survival World

Gerli warned that price corrections are no longer isolated to Florida. Housing markets in Georgia, Texas, Colorado, and Arizona are all experiencing negative price growth. In cities like Dallas and San Diego, he showed listings with \$50,000–\$85,000 in price cuts that still aren't selling.

The Reventure data shows that some markets are already technically in decline. Florida home values dropped 0.43% in March alone, an annualized 5% decrease. Georgia also posted its first negative monthly home value change of the year. "This isn't just a Florida story anymore," Gerli said. "The correction is spreading – and it's only going to accelerate if buyer demand continues to evaporate."

Why Buyers Are Still Waiting ©Image Credit: Survival World

The explanation is baked into affordability. According to Gerli, mortgage payments now eat up 38% of the average American income – the second-highest ratio in the last 72 years. Only 1981 and the 2006 housing bubble were worse. Historically, this number has hovered around 29%.]

"Buyers are not stupid," Gerli said. "They know that buying at a time when homes are this overvalued sets them up for financial pain." He points to inflation-adjusted data from Reventure

showing home prices are at their highest level relative to income in U.S. history – even worse than in 2006.

A Growing Divide Between Sellers and Reality ©Image Credit: Survival World

Gerli's explanation for the sluggish market revolves around this bid-ask mismatch. Sellers, many of whom bought during the pandemic boom, still want to turn a profit – even in a declining market. Buyers, on the other hand, are maxed out. "It doesn't matter what a seller thinks their home is worth if the buyer can only afford \$300,000," Gerli said. "That \$75,000 gap is why homes aren't moving."

As a result, homes sit. Days-on-market metrics are ticking upward. Redfin reports that 44% of all transactions in Q1 2025 included a seller concession – often in the form of price reductions, closing cost credits, or mortgage-rate buydowns.

The Myth of "Always a Good Time to Buy" ©Image Credit: Survival World

Gerli also took aim at old-school real estate advice, particularly from figures like Dave Ramsey, who continue to say, "Time in the market beats timing the market." That may have been true in the 1990s, but Gerli argues the modern housing landscape is defined by bubbles. "It is not always a good time to buy," he said. "Not when homes are historically unaffordable and overvalued by 20%, 30%, even 50% in some zip codes."

According to Reventure's overvaluation index, most U.S. states are overpriced. Florida is 20% overvalued. Georgia and Indiana sit around 26%. In Las Vegas, some zip codes are 62% overvalued. "If you're buying into a market that inflated that far beyond income levels," Gerli said, "you're not investing. You're speculating."

A Nation of Sellers in Denial ©Image Credit: Survival World

Nicole Friedman reported that despite rising inventory, sales have dropped more than economists expected. The Wall Street Journal survey predicted a 3.1% decline, but the reality was nearly double that. Even some pending deals are falling through, as buyers reconsider making massive financial commitments during an uncertain economic stretch.

Erin Stumpf, a Sacramento real estate agent quoted by Friedman, said the market feels "less competitive." More choices are available. Buyers now have leverage, but many still aren't biting. That should be a red flag for sellers banking on demand returning soon.

What Happens Next? ©Image Credit: Survival World

Note

If the past is any guide, price corrections take years to fully play out. The 2007–2012 crash took nearly five years to bottom out. Gerli believes we're just 18 months into a new multi-year correction. "Don't expect this to turn around overnight," he said. "There's a long way down."

According to the latest Reventure data, values fell in roughly half of the U.S. in March, while the Midwest and Northeast remained slightly more resilient due to tighter inventory. Still, the broader trend is unmistakable – demand is softening, prices are adjusting, and sellers who hold out for 2021-era valuations may be left behind.

Denial Is a Dangerous Strategy©Image Credit: Survival World

Both Friedman and Gerli's analyses expose the deep disconnect plaguing today's housing market. In my view, the biggest problem isn't interest rates – it's seller psychology. People still believe their homes are worth top dollar simply because they were in 2021. But market value isn't what you want – it's what someone will pay. And in today's market, fewer and fewer buyers are willing to pay at all.

We're watching in real time as homeowners across America begin to accept what the data has been screaming: the party is over. If prices don't drop, sellers won't sell. And if affordability doesn't improve, buyers won't buy. It's that simple – and that dangerous for the broader economy.

The Bottom Line: Buckle Up for a Long Ride©Image Credit: Survival World

March's 5.9% sales collapse, the worst March since 2009, isn't a blip. It's a signal. As Nicholas Gerli pointed out, we're in the early innings of a longer correction. The Wall Street Journal's Nicole Friedman confirmed it with hard sales data. And sellers? They're finally starting to sweat.

This market isn't about to bounce back in a few months. It's going to take years to reset. For now, smart buyers are watching and waiting. Sellers, meanwhile, would be wise to come back down to earth – or risk riding this slide all the way down.

To find out more about this, read The Wall Street Journal's article [here](#), and Reventure Consulting's video [here](#).