8·23·25

US homebuyers backed out of transactions at a record pace last month

Story by jsor@businessinsider.com (Jennifer Sor) 8-23-2025

- Homebuyers getting cold feet is becoming more common, a Redfin report says.
- Around 15% of pending home purchases fell through in July.
- Affordability challenges are playing into the trend, the real estate listings site said.

A widespread case of cold feet is hitting the housing market this summer.

Homebuyers bailed on home purchases at a historic pace in July, according to a new Redfin analysis of real estate listings data, which found that 58,000 pending home purchases fell through last month.

That number represents about 15.3% of all pending home purchases in the US, and is the highest proportion of home-purchase cancellations seen in the month of July in at least eight years, the real estate listings site said.

Home-purchase cancellations were the most common in San Antonio, Texas, where 22.7% of pending home contracts fell through last month, Redfin said this week. That was followed by Fort Lauderdale, Florida, where 21.3% of contracts fell through, and Jacksonville, Florida, where 19.9% of contracts fell through in July.

Buyers getting cold feet has become more common in recent years. That's coincided with lower affordability in the market, Redfin said, pointing to higher mortgage rates and home prices that could be sparking hesitation among some buyers.

Note

The 30-year fixed mortgage rate held steady at around 6.58% the last week, according to Freddie Mac. That's down from highs of 7% this year, but far above levels during the pandemic, when the 30-year fixed rate hovered around 3%.

US home prices, meanwhile, climbed to a fresh record in June, with the median existing US home price rising to $435,300, according to data from the National Association of Realtors. Note

After a long stretch of brutal conditions, the housing market looks like it's slowly leaning more in favor of buyers, with the amount of available inventory rising and price growth slowing. That's another factor that could be contributing to home purchase cancellations, Redfin said in a note.

In a separate analysis in May, the firm estimated that the housing market had around half a million more sellers than buyers, the highest buyer-seller mismatch since at least 2013. Note

If you enjoyed this story, be sure to follow Business Insider on MSN.

Looking to buy a home? Prices are falling the most in these 5 US cities

Below are the five US cities where home prices are falling the most, their year-over-year decline, and their median sale price.

1. Oakland CA median price down -6.7%; med hm price $980K
2. Jacksonville FL med price down -5.2%; med hm price $365K
3. Dallas TX med price down -4.6%; med hm price $415K
4. Austin TX med price down -2.1%; med hm price $449K
5. Houston TX med price down -1.7%; med hm price $339K

- Home-price growth slowed in May, with some metros seeing declines, Redfin says.
- Buyers are gaining the upper hand in the housing market as homes sit on the market for longer.
- These are the five cities where home prices are declining the most.

For prospective homebuyers, there are a few reasons to be hopeful that the housing market is taking a turn for the better. Top among them is home-price growth, which is slowing, and in some metros, even trending down.

A Redfin report published Monday said that in May, home price growth posted the slowest increase since 2023, at 0.7%. That's promising news in a market that's seen poor affordability as a barrier for many looking to buy a house.

Note

The decrease can be attributed to sellers outnumbering buyers, leading to houses sitting on the market for longer and giving buyers an edge in the market.

In May, 15% of pending home sales were canceled, the highest level since 2017, and less than a third of homes that sold in May went for over their asking price, the lowest level in five years, Redfin says. That's an indication that buyers are starting to gain the upper hand in negotiations.

Redfin believes this trend will continue and predicts home prices will begin to show year-over-year declines by the end of 2025.

It's already happening in some areas of the country, including some of the housing markets that saw the most aggressive price appreciation after the height of the pandemic. Out of the top 50 metros in the US, 11 of them saw declining home prices.

Florida and Texas, two states that saw explosive home price growth in recent years, topped the list for the most cancellations in May. San Antonio and Orlando saw cancellation rates of 21% and 20%, respectively.

Seen as attractive, low-cost housing markets during the pandemic, these metros have experienced significant price appreciation in recent years, dampening demand.

Population inflow into Florida and Texas has dropped sharply this year because of other reasons as well: Economic uncertainty, natural disasters, and return-to-office mandates are reducing buyer interest. An increase in homebuilding has also led to a greater supply of housing in Florida and Texas.

For buyers, this means it's the perfect time to negotiate with sellers. Redfin agents recommend that buyers not disregard homes just out of their budget, as sellers could be willing to offer concessions or lower the price.