

Cold Feet: Homebuyers Backed Out of Deals at a Record Rate in June

Redfin reports about 56,000 home purchases were canceled, equal to 15% of homes that went under contract—the highest percentage of any June on record

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — Deals to purchase homes are falling through at a record rate as high housing costs give buyers cold feet, according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage. Nearly 56,000 home-purchase agreements were canceled in June, equal to 14.9% of homes that went under contract that month—the highest percentage of any June on record.

House hunters are having trouble committing because buying a home is more expensive than ever. The median home sale price rose 4% year over year to a record \$442,525 in June, and the average interest rate on a 30-year mortgage was 6.92%. While that's down slightly from 7.06% the prior month, it's still more than double the all-time low hit during the pandemic.

“Buyers are getting more and more selective,” said [Julie Zubiate](#), a [Redfin Premier](#) real estate agent in the San Francisco Bay Area. “They’re backing out due to minor issues because the monthly costs associated with buying a home today are just too high to rationalize not getting everything on their must-have list.”

June 2024 Housing Market Highlights: United States

	June 2024	Month-over-month change	Year-over-year change
Median sale price	\$442,525	0.9%	4.0%
Homes sold, seasonally adjusted	417,179	-0.5%	-1.1%
Total homes for sale, seasonally adjusted (active listings)	1,636,110	-0.1%	12.8%
Months of supply	2.6	0.2	0.7
Median days on market	32	1	3
Share of for-sale homes with a price drop	19.8%	1.7 ppts	5.4 ppts
Share of homes sold above final list price	35.1%	0.0 ppts	-4.5 ppts
Average sale-to-final-list-price ratio	99.9%	0.1 ppts	-0.4 ppts
Pending sales that fell out of contract, as % of overall pending sales	14.9%	0.3 ppts	0.2 ppts
Average 30-year fixed mortgage rate	6.92%	-0.14 ppts	0.21 ppts

Three Florida Metros Led the Nation in Home-Purchase Cancellations

In Orlando, about 900 home-purchase agreements were canceled in June, equal to 20.8% of homes that went under contract that month—the highest percentage among the 50 most populous U.S. metropolitan areas. Next came Jacksonville (20.5%), Tampa (20.5%), Las Vegas (20.2%) and San Antonio (19.9%).

“We’re seeing nightmare scenarios where deals are getting canceled at the last minute for the most minute reasons,” said [Rafael Corrales](#), a [Redfin Premier](#) agent in Miami, where roughly 2,500 home purchases were canceled in June—equal to 17.6% of homes that went under contract. “Buyers often back out during the inspection period because they find something they don’t like, but affordability is really the underlying issue. I don’t want my buyers to be surprised by all of the expenses that come with owning a home in Florida, so I advise them to proactively research the hefty costs of insurance, property taxes and HOA fees, in addition to the cost of their mortgage payment.”

Nearly 1 in 5 Sellers Dropped Their Asking Price as Homes Sat on the Market—the Highest June Rate on Record

Roughly one in five (19.8%) homes for sale in June had a price cut—the highest level of any June on record. That’s up from 14.4% a year earlier and is just shy of the 21.7% record high set in October 2022.

Some sellers are reducing their prices because their homes are sitting on the market and getting stale—the result of an ongoing affordability crisis impacting buyers. The typical home that sold in June spent 32 days on the market, the longest of any June since 2020. That’s up three days from a year earlier—the biggest annual increase since last summer. Listings are piling up as a result; active listings, or the total number of homes for sale, were little changed from a month earlier but jumped 12.8% from a year earlier—the largest annual gain on record.

U.S. Home Sales Posted the Biggest Monthly Decline Since October

Home sales fell 0.5% month over month in June on a seasonally adjusted basis. While that may seem like a small decline, it’s the biggest since October 2023. Home sales dropped 1.1% from a year earlier and were 21.5% below pre-pandemic (June 2019) levels.

Sales are sluggish because many Americans can’t afford to buy homes. While mortgage rates ticked down in June (and have fallen further this month), some buyers are waiting on the sidelines in hopes that they’ll drop even more. But those buyers may be waiting in vain, said Redfin Economics Research Lead Chen Zhao, as rates are unlikely to fall much in the next few months, and markets have already priced in a September rate cut.

Metro-Level Highlights: June 2024

- **Prices:** Median sale prices rose most from a year earlier in Anaheim, CA (13.2%) Newark, NJ (12.6%) and Nassau County, NY (12%). They fell in four metros, all of which are in Texas: Austin (-5.5%), Dallas (-1.6%), San Antonio (-1.3%) and Fort Worth (-0.2%).
- **Price cuts:** In Indianapolis, 49.2% of listings had a price drop—a higher share than any other metro Redfin analyzed. Next came Denver (46.6%) and Tampa (43%). The lowest shares were in Newark (15.2%), Chicago (16.3%) and Milwaukee (17%).
- **Active listings:** Active listings rose most in Tampa (47%), Fort Lauderdale, FL (45.3%) and Orlando (41.4%). They fell most in Chicago (-7.4%), New Brunswick, NJ (-7%), Chicago (-7.3%) and New York (-5.8%).
- **Closed home sales:** Home sales rose in just one metro: San Jose, CA (1.8%). They fell least in Portland, OR (-3.2%), Oakland, CA (-3.7%) and San Diego (-5%), and fell

most in West Palm Beach, FL (-23.5%), Fort Lauderdale (-23%) and Virginia Beach, VA (-17.7%).

- **Sold above list price:** In San Jose, 72.1% of homes sold above their final list price, the highest share among the metros Redfin analyzed. Next came Newark (71.7%) and Oakland (63.1%). The shares were lowest in West Palm Beach (7.3%), Miami (11.4%) and Fort Lauderdale (12.3%).

To view the full report, including charts, please visit:

<https://www.redfin.com/news/home-purchase-cancellations-june-2024>

About Redfin

Redfin (www.redfin.com) is a technology-powered real estate company. We help people find a place to live with brokerage, rentals, lending, title insurance, and renovations services. We run the country's #1 real estate brokerage site. Our customers can save thousands in fees while working with a top agent. Our home-buying customers see homes first with on-demand tours, and our lending and title services help them close quickly. Customers selling a home can have our renovations crew fix it up to sell for top dollar. Our rentals business empowers millions nationwide to find apartments and houses for rent. Since launching in 2006, we've saved customers more than \$1.6 billion in commissions. We serve more than 100 markets across the U.S. and Canada and employ over 4,000 people.

Redfin's subsidiaries and affiliated brands include: Bay Equity Home Loans®, Rent.™, Apartment Guide®, Title Forward® and WalkScore®.

For more information or to contact a local Redfin real estate agent, visit www.redfin.com. To learn about housing market trends and download data, visit the [Redfin Data Center](#). To be added to Redfin's press release distribution list, email press@redfin.com. To view Redfin's press center, [click here](#).

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20240723716832/en/>

Contact Redfin

Redfin Journalist Services:

Ally Braun, 206-588-6863

press@redfin.com

Source: Redfin