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Redfin Reports Homebuyers Are Canceling Deals at the Highest Rate on Record

- *Over 40,000 U.S. home-purchase agreements were canceled in December, equal to 16.3% of homes that went under contract that month—the highest December percentage in records dating back to 2017*
- *Cancellations were highest in Atlanta (22.5%), Jacksonville (20.6%) and San Antonio (20.6%)*
- *Cancellations were lowest in Nassau County (3.8%), San Francisco (4.2%) and San Jose (8.9%)*

SEATTLE — Jan. 26, 2026 — Roughly 40,000 U.S. home-purchase agreements were canceled in December, equal to 16.3% of homes that went under contract that month, according to a new [report](#) from [Redfin](#), the real estate brokerage powered by Rocket. That's up from 14.9% a year earlier and marks the highest December rate in records dating back to 2017.

This is based on a Redfin analysis of MLS pending-sales data. The data is seasonal, which is why this December is compared to past Decembers.

“High housing costs and rising inventory have made homebuyers more selective,” said [Chen Zhao](#), head of economics research at Redfin. “Home sellers [outnumber](#) buyers by a record margin, meaning the buyers who *are* in the market have options and may walk away if they believe they can find a better or more affordable home.”

Buyers frequently back out of deals using the inspection contingency; they may cancel their purchase because a structural issue came up during the inspection, even if their primary reason for canceling is that they realized the mortgage payments are too expensive.

The good news for buyers is mortgage payments have declined recently thanks to a drop in mortgage rates, and price growth is also easing. Redfin economists expect affordability to [gently improve](#) in 2026 as wages rise faster than housing costs.

Atlanta has the Highest Rate of Purchase Cancellations in the Nation

Over one in five (22.5%) pending home sales in Atlanta fell through in December—up from 19.6% in November and the highest share among the metros Redfin analyzed. Jacksonville, FL (20.6%), San Antonio (20.6%), Cleveland (20.2%) and Tampa (19.4%) rounded out the top five.

Redfin analyzed the 50 most populous metro areas and included in this analysis the 47 with sufficient data.

Atlanta first led the nation in cancellations in November and has quickly become a [strong buyer's market](#), with sellers now outnumbering buyers by over 80%.

Cancellations were least common in Nassau County, NY (3.8%), San Francisco (4.2%), San Jose, CA (8.9%) and New York (10.5%).

Cancellations Climbed the Most in the Bay Area, but Are Still Uncommon

San Jose, CA saw the largest annual increase in home purchase cancellations among the metros Redfin analyzed, rising 6.8 ppts to 8.9% in December. It was followed by Oakland, CA (6.3 ppts to 11.3%), Sacramento, CA (4.7 ppts to 17.9%), Atlanta (4.4 ppts to 22.5%) and Las Vegas (3.5 ppts to 19%).

The Bay Area has been on a rollercoaster ride since the pandemic, seeing a [major cooldown](#) in 2022 before becoming one of the [hottest](#) markets in the nation to close out 2025. Now, it's in more balanced territory.

"Buyers have options and aren't shy about negotiating to find the right home," said [Alison Williams](#), a [Redfin Premier](#) real estate agent in [Sacramento, CA](#). "Cost is a major barrier right now, so if the seller hasn't fixed maintenance issues or the home is priced too high, the buyer may back out."

Contract cancellations decreased the most in Detroit (-8 ppts), Warren, MI (-2.8 ppts), Pittsburgh (-2.3 ppts), Los Angeles (-1.1 ppts) and Nassau County, NY (-0.7 ppts).

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

<https://www.redfin.com/news/home-purchase-cancellations-december-2025>

About Redfin

Redfin is a technology-driven real estate company with the country's most-visited real estate brokerage website. As part of Rocket Companies (NYSE: RKT), Redfin is creating an integrated homeownership platform from search to close to make the dream of homeownership more affordable and accessible for everyone. Redfin's clients can see homes first with on-demand tours, easily apply for a home loan with Rocket Mortgage, and save thousands in fees while working with a top local agent.

You can find more information about Redfin and get the latest housing market data and research at <https://www.redfin.com/news>. For more information about Rocket Companies, visit <https://www.rocketcompanies.com>.

Contact Redfin Journalist Services:

Tana Kelley
press@redfin.com

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