

A shortage of homebuyers is forcing sellers to lower prices for the first time in years — how to use this newfound leverage to lock in a better deal

[Danielle Antosz](#) Sep 30, 2025

Retired business owner Doug McCormick, 80, recently listed his four-bed, 4.5-bath home near Denver for \$1.3 million.

After two months, three open houses, and a price drop to about \$1.28 million, he still hasn't received a single offer.

"I keep reminding myself you only need one buyer," he told the Associated Press. [1] Now, he's just waiting for that one buyer to show up.

McCormick's situation is increasingly common as home sellers across the country cut prices or offer incentives to attract buyers. For years, low inventory and soaring prices gave sellers the upper hand. But that's quickly changing.

Existing-home sales are coming off their slowest year since 1995, and activity so far this year remains "sluggish" compared to last year's weak pace, reports the National Association of REALTORS® (NAR). [2]

What slowing home sales mean for buyers

In January, the NAR reported that existing-home sales fell 0.7% last year to 4.06 million — the lowest level since 1995. [3] Slower sales mean a less

frantic market. Homes are sitting longer, price cuts are more common, and buyers have more time and leverage to negotiate.

For buyers, this shift follows years of rising home prices and skyrocketing mortgage rates. Now, the tide may finally be turning.

"Homebuyers are in the best position in more than five years to find the right home and negotiate for a better price," said NAR Chief Economist Lawrence Yun. "Current inventory is at its highest since May 2020, during the COVID lockdown." [4]

Another good sign for home buyers: mortgage rates are starting to ease. According to Dr. Jessica Lautz is the Deputy Chief Economist and Vice President of Research at NAR, the average 30-year fixed mortgage rate from Freddie Mac recently dropped to 6.50%, down from 6.56% in early September. [5]

Lower rates boost buying power — but if rates fall further, more buyers could re-enter the market, potentially chipping away at that negotiating edge.

How to enter the market as a first-time homebuyer

Buying a home still isn't "easy," but the market has shifted just enough to give first-timers more leverage. They can take their time, ask for concessions, and structure a deal that fits their budget. Here's how to take advantage of this cooling period.

Watch how long a home has been on the market

Homes listed for 40 to 60+ days (especially after a price cut) usually indicate a motivated seller.

Ask your agent to pull the price history and confirm whether any previous deals had fallen through. These sellers may be more open to negotiations or offering concessions.

Don't be afraid to ask for concessions

Cooler markets means sellers are more open to negotiation — and you can ask for more than just a lower price.

Talk to your agent about whether it makes sense to request concessions like closing costs credits, repair credits, or a home warranty.

Focus on the payment, not just the price

Before making an offer, figure out the monthly payment you can comfortably afford — including taxes, insurance, and HOA fees — and work backward to set your price range.

Ask your lender to compare scenarios for a price reduction versus asking the seller-paid points (fees the seller pays to lower your interest rate). In some instances, points can reduce your monthly payment more than a price cut.

Weigh whether waiting is worth it

Yes, mortgage rates could fall further, but you can refinance later if they do. Waiting, however, can cut both ways: declining rates may pull more buyers

into the market, reducing your bargaining power and re-heating certain metros.

If you find a home you like at a monthly payment you can comfortably afford, it may make sense to buy now rather than try to time the perfect rate.

Compare new construction incentives

Home sellers aren't the ones feeling the squeeze from a cooling house market. Home builders are offering more incentives to attract buyers as well.

In August, 66% of builders reported offering incentives such as price discounts or mortgage rate buydowns, up from 62% in July, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI). [6] Consider whether buying a new-build makes more sense than buying an existing home.