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REAL ESTATE | LUXURY HOMES

Wealthy Buyers Are Backing Out of Multimillion-Dollar Home Deals

President Trump's trade war and stock market chaos have put the once unshakable high-end home market on ice

By [E.B. Solomont](#) [Follow](#) and [Libertina Brandt](#) [Follow](#)

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On March 1, New York real-estate agent Peter Ocean thought he had reason to celebrate: His clients accepted an offer of \$10.25 million for their four-bedroom co-op in Lenox Hill, which had been on and off the market for more than a year, last asking \$10.5 million.

Days before the planned contract signing, the buyers even came back to purchase some of the furniture. "They weren't even going to paint," Ocean said.

Then came President Trump's trade war, which sent shock waves through the stock market. Ocean was riding the subway to his office on March 13 when the couple's agent called to say her client's stocks were down 25% and the deal was off. "It was like a gut punch," said Ocean, who then made a "painful" call to his client, who worked in finance before retiring to Florida.



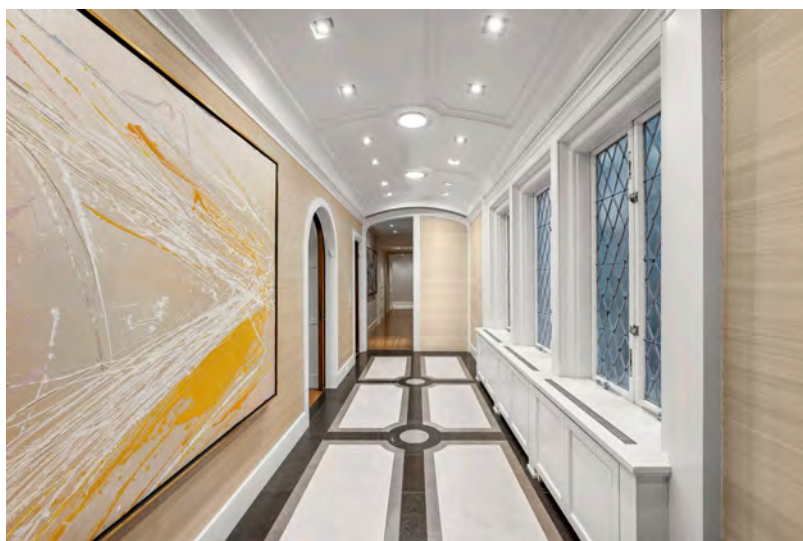
A couple backed out of a deal to buy a New York City co-op listed for \$10.5 million
PHOTOS: RICHARD CAPLAN

“The first words out of his mouth were, ‘Trump f-ked us,’” Ocean said.

President Trump has defended tariffs on China but on April 9 he [placed](#) a 90-day pause on reciprocal tariffs with other countries, saying the reaction was getting “yippy.”

The luxury real estate has been largely unstoppable for the past few years, [fueled by stock market gains](#) and massive wealth appreciation since the pandemic. In places like New York, Palm Beach, Fla., Los Angeles and Aspen, Colo., wealthy buyers have plowed billions of dollars into the luxury home market with little regard for interest-rate hikes that have slowed the rest of the housing market.

Now, market gyrations and tariffs, both current and pending, are casting a shadow on high-end property as buyers pull out of deals or tap the brakes amid global economic uncertainty. In the U.S., the richest 10% have 36.3% of their total assets in stocks and mutual funds, according to a new report from Realtor.com, which found real-estate comprised 18.7% of their total assets. Until recently, luxury sales were on an upswing, and agents said high Wall Street bonuses indicated a strong year ahead.



The buyer changed his mind after his stock portfolio plummeted in value. PHOTO: RICHARD CAPLAN

Overall, the median sale price for U.S. luxury homes, defined as the top 5% of sales, rose 8.8% during the second quarter of 2024, more than twice as fast as nonluxury homes, according to the most recent data available from [Redfin](#).

After markets lost \$6.6 trillion in an epic [two-day rout](#) on April 3 and 4, fallout in the high-end real-estate market has been swift—even as many investors recouped losses during a market surge on April 9 following President Trump’s announcement of a 90-day pause on certain tariffs.

“We’ve been on a wild ride the last two weeks. Buyers are nervous about everything,” said real-estate agent Aaron Kirman of Christie’s International Real Estate Southern California, who had a

roughly \$65 million deal fall through in Bel-Air.



Luxury real estate markets, like Bel-Air, have been largely unstoppable for the past few years. PHOTO: ALAMY

Kirman's clients—international buyers who had been looking for six months—went into escrow on a house on roughly 1 acre two weeks ago and backed out of the deal on April 3, he said. They were within a contingency period and got their money back. “They got spooked,” he said. He said some buyers are swooping in to buy real estate as a hedge against the stock market, but others are pausing amid uncertainty. “When news cycles get too negative, it just really makes people second-guess their decisions,” he said.

Miami real-estate agent Julian Johnston of the Corcoran Group said one of his clients put a \$40 million-plus deal on ice in Coral Gables, Fla., over concerns about his business, which is tied to imports from China. The client, who moved to Florida from California last year, made a \$42 million offer on a 15,000-square-foot house and even spent 90 minutes walking through the property on April 6 with his father and children. The next day, Johnston said, he had a change of heart and requested a 30-day pause on negotiations.

“I mean listen, even my 401(k) got whacked this week,” Johnston said. “You feel poorer. You don’t really feel like you want to go out and spend money.”

Johnston was also close to getting a contract signed on a 0.3-acre vacant lot on Miami's Venetian Islands that he listed for \$15 million. But a developer who offered \$13 million recently walked away from negotiations, citing the uncertainty of material costs, especially imported goods, he said.

Joanna Neumann and her husband are among those who are no longer buying, said Joanna, who owns a gym in Brooklyn's Park Slope neighborhood. The Neumanns, who are returning to New York after leaving for Atlanta during the pandemic, were eager to own a brownstone and found one big enough for their family of six not far from the gym. The three-story home has four bedrooms and was asking \$3.995 million. "It was a dream location and a dream home," Joanna said.

The family toured the apartment on April 1 and made an offer that night. After the stock market plunged on April 3 and 4, the couple rescinded their offer and plan to rent for now. "If things start to go south, we want to have some cash to pour into the gym if people start to pull back on their memberships," said Joanna.



The Neumanns rescinded their offer to buy a \$3.995 million brownstone in Brooklyn's Park Slope neighborhood.

PHOTO: DOROTHY HONG FOR WSJ

Similar uncertainty is trickling throughout high-end enclaves around the country that have seen prices skyrocket amid [high demand and limited inventory](#). “There’s a misconception that Aspen is insulated from a national or global economy,” said real-estate Steven Shane of [Compass](#), who has brokered several megadeals in the affluent ski town since Covid. He said he saw \$100 million worth of real-estate return to the market since April 2—including one of his listings, a roughly 7,900-square-foot house in Aspen’s West End that is asking \$52.5 million. Listed in December, it was marked pending on Feb. 24, according to Zillow. It was relisted April 8. Shane declined to comment on why the deal fell through. “It’s a volatile market and people generally like certainty,” he said.

In Texas, Alan Golightly, and his wife, Angela Wise, had a buyer back out of a deal to purchase their roughly 4,000-square-foot home just outside of Houston. They listed the house for \$1.2 million on April 3 and held their first open house on April 5. They had a verbal offer for \$1.3 million that night, Alan said. They accepted it on April 6 and were expecting a contract from the buyer’s agent that evening. “They wanted us out by Memorial Day so we worked on finding an [Airbnb](#),” Alan said. They never received a contract.



Alan Golightly and Angela Wise's Texas home hit the market in early April for \$1.2 million.

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On the morning of April 7, the buyer's agent said her clients had pulled their offer. "She said they were just not sure about the market and how everything was shaking out," said Alan. "It was a little disappointing, but I don't think we were counting our chickens before they hatched, so to speak."

In parts of northern New Jersey—where people can easily commute to Wall Street—buyers and sellers are used to real-estate deals ebbing and flowing with the stock market.

In Ridgewood, about 20 miles outside Manhattan, a \$1.8 million house fell out of contract on April 2, the day President Trump signed an executive order imposing tariffs, said Charlie Oppler, CEO of Prominent Properties Sotheby's International Realty in northern New Jersey. The roughly 4,000-square-foot Colonial was listed in late March. "You don't know how much of the down payment was coming from liquid assets," said Oppler, a past president of the National Association of Realtors who said the buyer's deposit was returned because the deal fell apart during the attorney review period. "That has, in real life, affected some properties."



The New Jersey castle in Morris Township sits on roughly 7 acres and is now back on the market after buyers pulled out of the deal.

PHOTOS: ANDY SCHMIDT

An eight-bedroom castle in Morris Township, N.J., [listed at \\$9.95 million](#), had an accepted offer from a couple from Washington state and was in the due diligence phase when they pulled out on

April 8, according to Jill Turpin of Turpin Real Estate. Turpin said the buyers appeared hesitant and the volatile market was the final nail in the coffin. After receiving a vague email from their attorney, Turpin said she called their agent and was told they were pulling out because of concern over the state of the economy.

The castle, about 30 miles from New York City, is back on the market and has received new inquiries from interested buyers, but nothing concrete yet, according to Turpin.

The Lenox Hill co-op listed for \$10.5 million was never officially taken off the market, despite the accepted offer, said Ocean. His client recently rejected a lowball offer of \$9 million, and Ocean said he wouldn't be surprised if the original buyer returns to the table at some point. "It's only a matter of time before the stock [market] comes back to where it was," he said. "They might rethink and think, 'We kind of jumped the gun here.'"

—Additional reporting by Jessica Flint

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