

# How Fall Buyers Can Use Year-End to Their Advantage for a Better Deal

BY ALLAIRE CONTE

SEPTEMBER 8, 2025

Seasonality has long shaped the housing market. For decades, buyers and sellers have flocked to the summer months, drawn by school breaks, favorable weather, and a flood of listings. But the summer surge can also leave many behind, especially those unable to compete with all-cash offers or bidding wars.

That's why fall has often been a quieter, more strategic season—less frenzy, more flexibility.

“The final months of the year can be an extremely advantageous time frame for home purchasers,” says **Leo Pond**, a real estate adviser at Four Seasons Sotheby's International Realty. “Seasonal sellers who listed in the spring and have hung around the market until this time are generally anxious to sell, and the ones who don't have to sell this year generally pull their home off the market.”

And this fall may offer more advantages than usual. After a “cruel summer” of sluggish home sales and increased delisting's, the tide appears to be shifting. Inventory has ticked up in several regions, and mortgage rates are stabilizing, even inching downward—opening the door for well-prepared buyers to make their move. Those who act before Dec. 31 can also tap into financial benefits, from tax deductions to closing cost credits—provided they're ready to move fast.

## Lower buyer competition, more negotiation power

“Many consider year-end to be a strategic time to buy a home, as sellers often want to close before Dec. 31, which potentially provides buyers additional leverage in negotiating closing costs,” says **Gina Stoddard**, chief of staff at Broad Financial.

And with inventory on the rise—up 4.3% in the South and 9.3% in the West compared with pre-pandemic levels, according to the Realtor.com July 2025 Housing Market Trends Report—buyers have more opportunity to take advantage than they have in years.

Less competition means fewer bidding wars and more power to negotiate the extras that add up: closing cost credits, home warranties, even repair concessions. While sticker shock may prevent novice buyers from even putting in an offer, these concessions can end up knocking thousands of dollars off the price of a home.

For example, a homeowner may have had their house on the market all summer, but due to a failing roof, the home hasn't sold. Now, as fall approaches, they're eager to get the home off their hands before the holiday season. While they won't budge on the sale price, they're happy to offer a \$30,000 concession (which is paid out of their proceeds) to replace the roof. In this case, while a buyer will pay the purchase price, they get the benefit of \$30,000 cash to pay for a new roof—a home improvement with 60% or more return on investment.

## Tax perks for buyers who close before Dec. 31

There's a host of tax perks for homebuyers who are able to close before the year-end as well, compounding the cost savings effects of the fall and winter seasons.

Any buyers who close in 2025 may be eligible to deduct property taxes paid at closing on their 2025 return. "If you close before Dec. 31, you may be able to deduct mortgage interest and property taxes on your upcoming tax return, even if you only owned the home for a few weeks," explains **Danielle Andrews**, an agent at Realty ONE Group.

And with the recently raised SALT deduction, that could mean huge savings, explains **Colton Pace**, founder and CEO of Ownwell.

"This allows homebuyers and owners who itemize to deduct \$25,000 to \$30,000 more in property and state income taxes," he says. "Thus, buying before Dec. 31 can be a generous tax deduction if you're already planning to itemize and file as a single person or married separately."

And those who close in December are poised to benefit the most, because of the compounding effects of timing and tax policy.

"At closing, buyers often reimburse sellers a generous amount for prepaid property taxes shown on a settlement sheet. This year, with the expanded SALT deduction ... December closings [are] particularly valuable for maximizing your tax benefits," he explains.

In other words, the closer to year-end you close, the more of that deductible amount shifts to you.

Buyers may also deduct mortgage interest paid between closing and Dec. 31, offering a powerful tax savings since a higher percentage of your mortgage payment goes toward interest at the start of your loan.

# IRA withdrawals for first-time buyers

For first-time buyers struggling to pull together a down payment, retirement savings might offer a lifeline—but it comes with strict rules and a ticking clock.

The IRS allows first-time buyers to withdraw up to \$10,000 from a Roth IRA without facing the usual 10% early withdrawal penalty. That makes it one of the few penalty-free ways to tap into long-term savings for a home purchase—but timing is everything.

To take full advantage, the withdrawal and the home purchase must both occur in the same tax year, so buyers hoping to make a move before Dec. 31 need to act fast and pull the funds, make an offer, and close all before the year ends.

Still, this strategy should be used carefully. “Although technically it is possible to draw from an IRA or 401(k) for a down payment, it's a double-edged sword,” says **Fred Loguidice**, founder of Sell My House Fast Guys. “This is something that should only ever be a last option.

“You're taking money from your retirement accounts, which could have grown several times over the years due to compound interest,” he explains.

But there are moments when this move makes financial sense. “It can also be worthwhile if accessing those funds helps you avoid taking on high-interest debt or missing the window to secure a home that aligns with your long-term goals,” says Andrews.

Others point to alternative options within retirement plans. “With a traditional IRA, first-time buyers can withdraw up to \$10,000 penalty-free

for a home purchase,” says **Leah Robinson-Christian**, an agent at Engel & Völkers Atlanta. “With a 401(k), some employers allow loans against the account, but repayment terms vary, and it reduces your retirement growth.”

So if you're planning to use retirement savings, you'll need to move quickly and act decisively. For those who can make it work, it may unlock the front door to homeownership just in time to ring in the new year.

## Closing cost incentives from lenders

It's not just sellers who want to wrap things up before Dec. 31; lenders have their own reasons to close deals fast. Many financial institutions set year-end volume targets, and that can translate into savings for fall buyers who know to ask.

Some lenders even roll out seasonal promotions in the final quarter of the year that can include discounted appraisal or underwriting fees, temporary rate buydowns, or waived processing or application fees.

But they're not always advertised. Fall buyers should make it a point to ask lenders directly whether any year-end incentives are on the table—and compare offers across multiple institutions. Even small discounts can make a noticeable difference at the closing table.

## Builders are still offering fall deals

If you're considering a newly built home, fall might be one of the best times to make your move. Builders are eager to offload standing inventory before the end of the year, and many are offering aggressive incentives to do it.

In fact, 66% of homebuilders reported using incentives like mortgage rate buydowns and discounts in August—the highest share in at least five years—according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index. That's up from 62% in July, and a clear sign that sluggish buyer traffic is prompting more generous offers.

And there's another signal the timing could be right: The price premium for new homes over existing homes dropped to a record low of just 7.8% in the second quarter of 2025, according to the Realtor.com New Construction Quarterly Report. With median new-home prices holding steady at \$450,797 and existing-home prices rising 2.4% to \$418,300, the gap between the two is now the narrowest it's ever been.

For fall buyers, that means it's possible to get the convenience and freshness of new construction without paying the massive markup that once defined the category.

## **Think like a CFO to maximize your year-end advantage**

For many buyers, especially first-timers navigating high prices and elevated mortgage rates, the goal isn't just to find the right home—it's to make the numbers work. Fall offers a unique opportunity to do so, but it will mean thinking like a CFO.

While purchase price is important, it's only one part of an overall deal. Concessions, credits, and repairs can knock off thousands of dollars, but they're only offered if you ask. The same is true for tax incentives, which can offer powerful savings if—and only if—you close the deal before year-end.

Lastly, it may be worth expanding your horizons and searching for opportunities where you haven't looked before. Lenders and home builders may prove to be the greatest allies in your search by connecting you with promotional pricing.