

FEAR REPORT

Rising prices cited as ‘top fear’ among homebuyers

By Patrick Kearns | September 2, 2021

COVID-19-related concerns were the most disruptive to timelines, a recent survey found

A fear that home prices would continue to rise was cited as the top fear among homebuyers looking to enter the market, a new survey released this week from real estate technology company [OJO Labs](#) found. The survey was conducted in the throes of an unprecedented surge in housing prices, which climbed 10.4% from July 2020 to July 2021, according to sold data from [Movoto by OJO](#), the OJO Labs home search site.

Of the 200 recent buyers surveyed, 38.8% cited rising home prices as their top fear and scored it, on average, a 6.13 out of 10, in terms of how fearful they were. Fear of rising home prices expedited the timeline of buying, on average, by roughly 18 days.

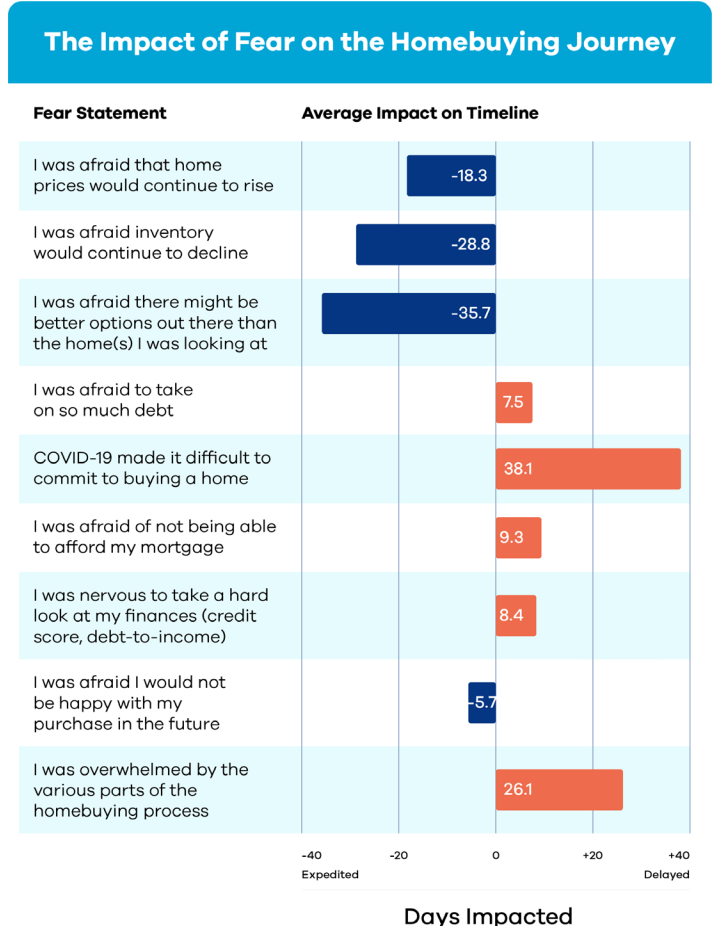
A fear that inventory would continue to decline — at a time when the number of homes for sale is already at historically low levels in metros across the nation — was the second biggest fear, according to buyers, with 37.4% citing it as their top fear. That fear expedited buyers’ timelines by nearly a month.

Only 23.3% of buyers cited COVID-19-related fears as their top fear, but the pandemic had the biggest impact on timelines. COVID-19 and the difficulties associated with the pandemic delayed buyers’ timelines on average by more than five weeks.

Financial-related fears — i.e., taking on too much debt, being afraid to take a deeper look at one’s financial situation, or not being able to afford mortgage payments — were all clustered in the middle of the list, with between 21% and 23% of respondents choosing a financial-related fear in the top slot. These fears ultimately didn’t have a major impact on the timeline, because for some it expedited the process while for others, it delayed it, ultimately averaging out to delaying timelines by less than two weeks.

A general fear of the homebuying process — essentially being overwhelmed by various parts of the process — was only the top fear for 19.4 percent of respondents, however it routinely scored in the upper half on the fear scale, averaging 5.1 out of 10. That means, while it wasn't a top fear for many, it's a highly present fear for most, ahead of financial and COVID-19-related fears.

Fear Statement	% of respondents who cited this as top fear	Average Fear Level (on scale of 0-10)
I was afraid that home prices would continue to rise	38.80%	6.13
I was afraid inventory would continue to decline	37.40%	5.99
I was afraid there might be better options out there than the home(s) I was looking at	29.10%	5.54
I was afraid to take on so much debt	23.80%	4.79
COVID-19 made it difficult to commit to buying a home	23.30%	4.51
I was afraid of not being able to afford my mortgage	22.80%	4.76
I was nervous to take a hard look at my finances (credit score, debt-to-income)	21.80%	4.49
I was afraid I would not be happy with my purchase in the future	19.40%	4.88
I was overwhelmed by the various parts of the homebuying process	19.40%	5.14



The OJO Labs fear survey surveyed a diverse cohort of 200 individuals, representative of the population, who had purchased homes in the past 12 months. Since the respondents were able to choose more than one fear as their top fear, the top fear column adds up to more than 100%.



Patrick Kearns is the Director of Storytelling at OJO Labs. Prior to joining OJO Labs, Patrick worked as a journalist for more than a decade, most recently covering housing and real estate at Inman News. He's also written for The Guardian, The Washington Post, Sports Illustrated, Vice, and others.



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