Home Prices Fell More Than Expected in April

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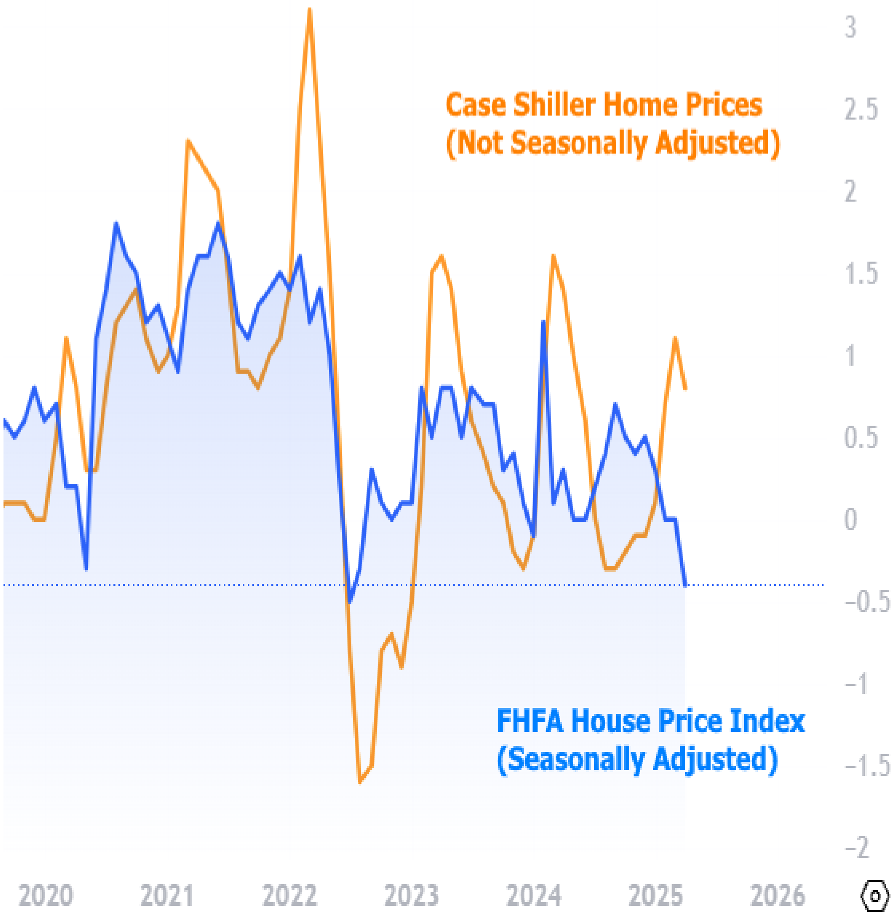
Both the FHFA and Case‑Shiller home price indices were released today. While the data collection time frame is from April, they each suggest a similar shift is underway when adjusting for seasonality. Specifically, if we ignore seasonality, prices rose. If we don't, they were down 0.4% from March.



FHFA House Price Index (seasonally adjusted, MoM)

- April: −0.4%; March was revised from −0.1% to 0.0%
- YoY: +3.0% from April 2024 to April 2025

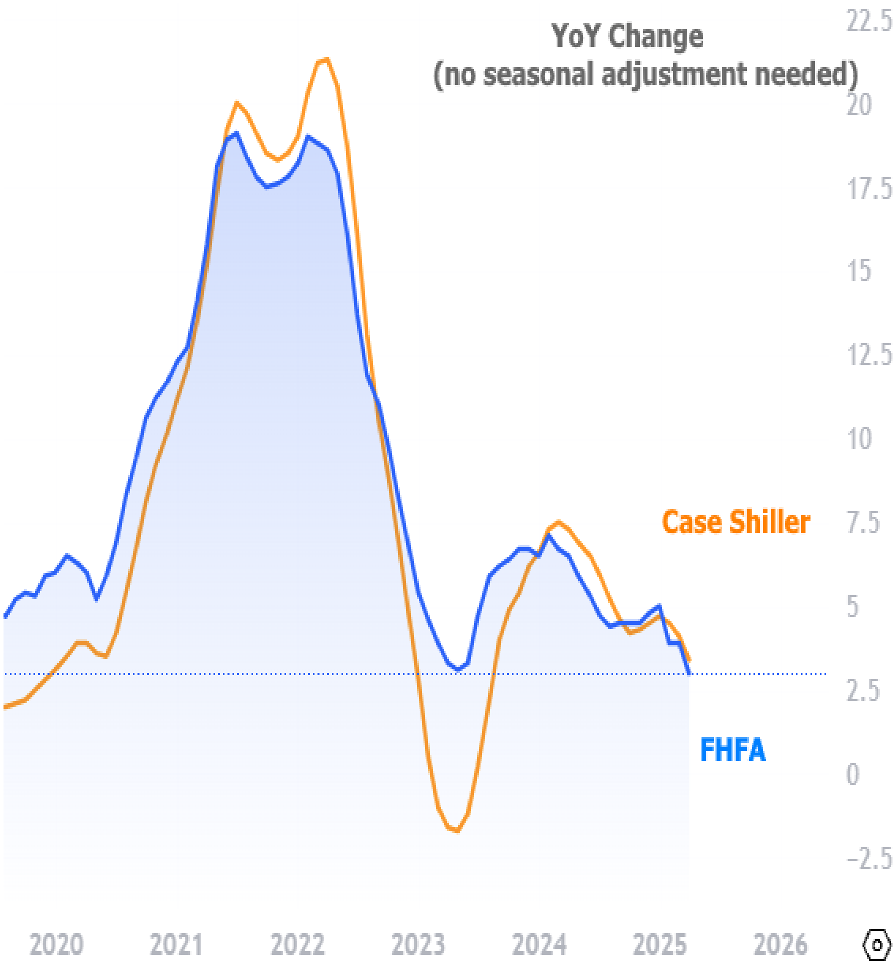
Monthly figures varied regionally: the West South Central and South Atlantic divisions posted the steepest falls (−1.3%), while the Middle Atlantic rose +1.2%. All nine divisions remain positive YoY (ranging from +0.5% to +7.4%).

The 0.4% drop is in line with slower spring momentum—not drastic, but a continued cooling from prior gains. The upward revision in March helps to offset April's declines to some extent.

Case‑Shiller National Index (unadjusted)

- YoY: +2.7% in April, down from +3.4% in March
- MoM (raw): +0.6%
- MoM (seasonally adjusted): −0.4%

This marks the smallest annual national gain since mid‑2023—further evidence of continued deceleration.



Seasonally Adjusted Comparison Table: FHFA vs Case‑Shiller (April 2025)

Index	MoM (SA)	YoY
FHFA HPI	−0.4%	+3.0%
Case‑Shiller	−0.4%	+2.7%

Seasonal Adjustment Matters

Just like last month, raw Case‑Shiller data (unadjusted) can mask underlying weakness evident once seasonal factors are stripped out—and we're seeing that again this month.

Longer‑Term View: YoY Trends

Both indices indicate that home price growth is decelerating:

- FHFA shows moderate upward movement but at a slowed pace.
- CaseIShiller's +2.7% YoY gain is the lowest since spring 2023.

Seasonally adjusted CaseIShiller is already in negative territory MoM—marking limited, but meaningful cooling across metro areas.

Bottom Line

Home prices continue to rise YoY, but growth has clearly slowed (and, in April, backtracked a bit). The first negative MoM for seasonally adjusted CaseIShiller since earlyI2023 highlights early signals of market softening.

With mortgage rates holding steady in the upper 6% range and inventory slightly elevated, it would not be a surprise to see a similar trend continue in coming months.