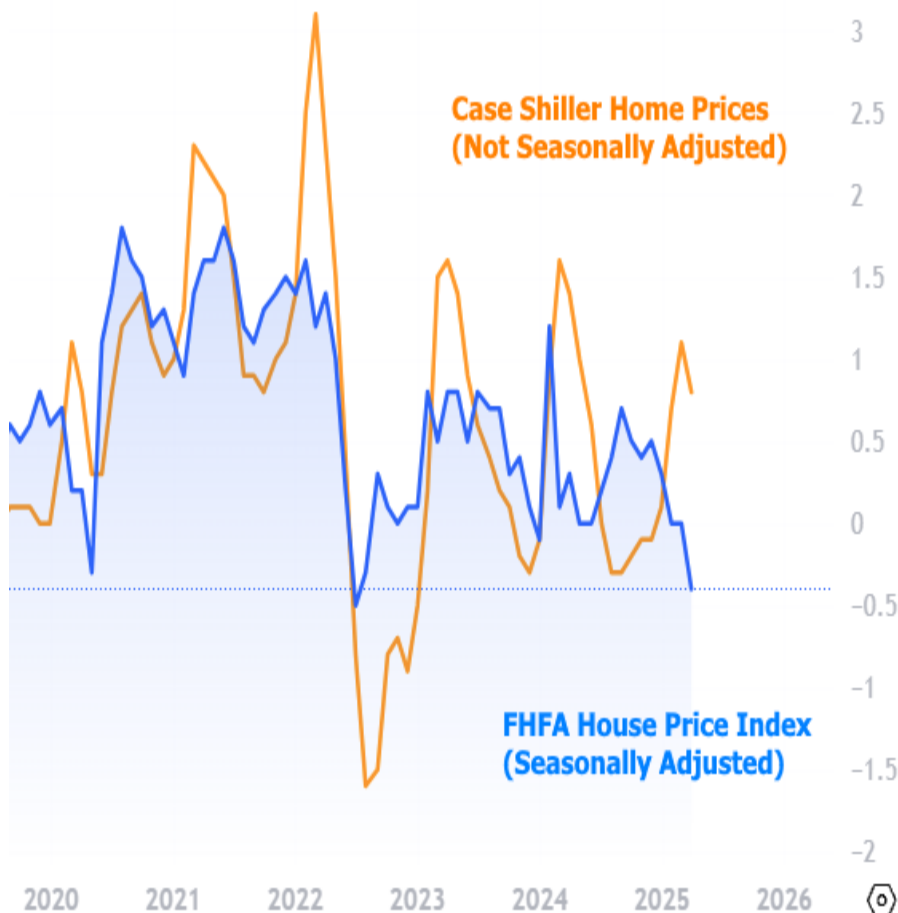




Home Prices Fell More Than Expected in April

Both the FHFA and CaseShiller 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.

CaseShiller National Index (unadjusted)

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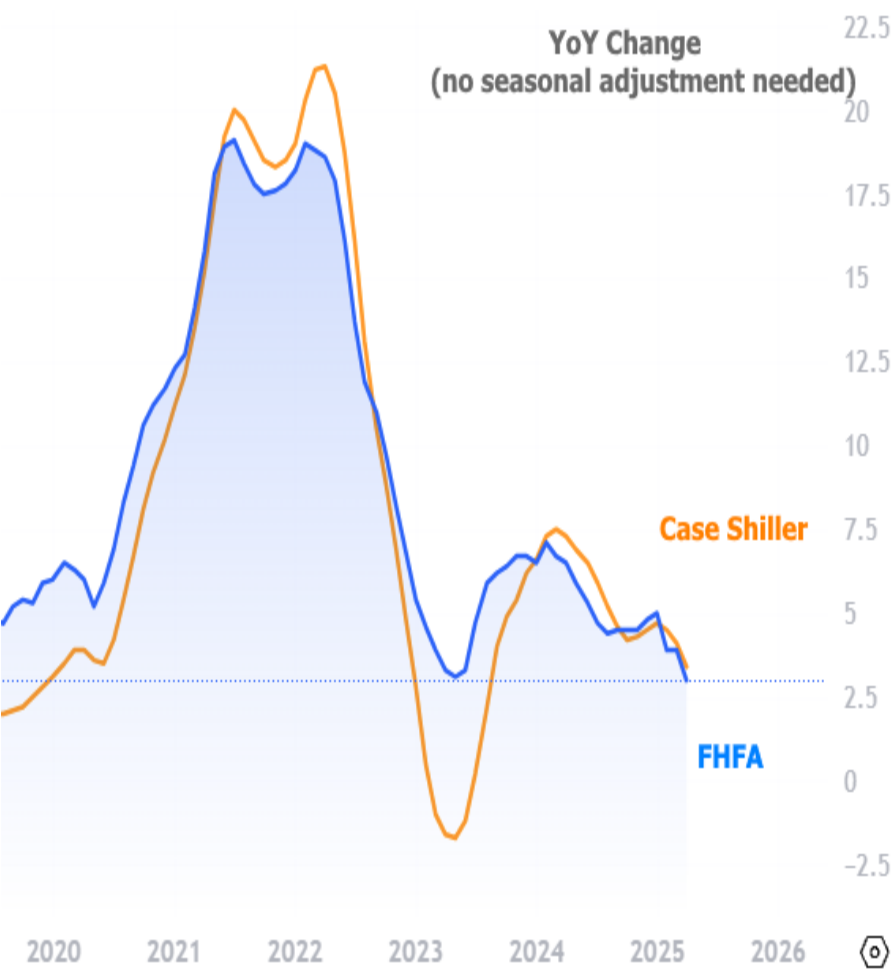
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- YoY: +2.7% in April, down from +3.4% in March
- MoM (raw): +0.6%
- MoM (seasonally adjusted): -0.4%

This marks the smallest annual national gain since mid2023—further evidence of continued deceleration.



Seasonally Adjusted Comparison Table: FHFA vs CaseShiller (April 2025)

| Index | MoM (SA) | YoY |
|-------------|----------|-------|
| FHFA HPI | -0.4% | +3.0% |
| CaseShiller | -0.4% | +2.7% |

Seasonal Adjustment Matters

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

LongerTerm View: YoY Trends

Both indices indicate that home price growth is decelerating:

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

Seasonally adjusted CaseShiller 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 CaseShiller since early 2023 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.