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April Housing Inflation Data Fills in The Dots That Went Missing During The Government Shutdown

The Bureau of Labor Statistics released a highly technical research paper this week examining how the agency handled missing shelter inflation data during the October 2025 government funding lapse.

The issue stemmed from the CPI's housing survey, which was unable to collect rent data during the shutdown period. With no fresh survey results available, BLS relied on a "carry-forward" methodology that essentially treated rents as unchanged for the affected sample.

That decision temporarily froze the CPI's rent and owners' equivalent rent (OER) indexes in October 2025, likely making shelter inflation appear somewhat cooler than it actually was for the next several months.

In the new paper, BLS tested several alternative approaches to estimate what shelter inflation may have looked like under different assumptions. Every alternative method produced firmer rent and OER inflation readings than the official CPI figures published at the time.

Depending on the methodology used, the research suggests shelter inflation may have been understated by roughly 0.3% to 0.6% on a year-over-year basis during the affected stretch. That may sound minor, but for markets closely tracking inflation and Fed policy expectations, a few tenths can matter.

Still, BLS stressed that the distortion was temporary rather than structural. Once the affected housing panel was surveyed again in April 2026, both the official indexes and the research indexes largely converged back to similar levels. In other words, April's housing inflation essentially counted two 6-month cycles' worth. Thus, monthly housing inflation was more like 0.3 than 0.6.

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