

# HUD PD&R Housing Market Profiles

## Shreveport-Bossier City, Louisiana



### Quick Facts About Shreveport-Bossier City

Shreveport, Louisiana

By Nancy Smith | As of July 1, 2021

- Current sales market conditions: balanced
- Current apartment market conditions: slightly tight
- The \$71.8 million Interstate 220/Interstate 20 Barksdale Air Force Base Interchange project in Bossier City, which will consist of a new access road from the interchange to the base, is expected to be completed during 2021.

### Overview

The Shreveport-Bossier City, LA Metropolitan Statistical Area (hereafter, Shreveport-Bossier City metropolitan area) includes four parishes (Bossier, Caddo, De Soto, and Webster) in far northwestern Louisiana. The metropolitan area is an economic hub for the area, which is bordered by the states of Arkansas and Texas. The metropolitan area is home to Louisiana State University Shreveport, Louisiana State University Health Sciences Center, and Barksdale Air Force Base and is the second largest gaming market in the state, with five riverboat casinos.

- As of July 1, 2021, the estimated population of the metropolitan area was 429,000, reflecting an average decrease of 960, or 0.2 percent, annually since 2010.
- The population increased from the early 2000s through 2012 and then began to fall due to net out-migration. Since 2012, the population has fallen by an average of 2,175, or 0.5 percent, annually, and net out-migration averaged 3,300 people each year.
- The Bossier Parish, which includes Bossier City, represents an estimated 30 percent of the metropolitan area population and, since 2010, has increased by an average of 1,050 people each year.



## Economic Conditions

Economic conditions in the Shreveport-Bossier City metropolitan area began to weaken in 2012 following 2 years of job growth that was mostly due to an increase in natural gas mining in the Haynesville Shale. As mining and extraction companies shifted resources to more profitable natural gas fields outside the metropolitan area, nonfarm payrolls began to fall. Nonfarm payroll growth averaged 0.6 percent annually from 2010 through 2011 before trending downward, declining by an average of 1,200 jobs, or 0.6 percent annually through 2019. Interventions taken in mid-March 2020 to slow the spread of COVID-19 worsened already weak economic conditions, and the metropolitan area lost jobs at a higher rate than the Southwest region and the nation. Since May 2020, economic conditions have slowly improved as COVID-19 mitigation efforts eased through June 2021.

During the 3 months ending June 2021 —

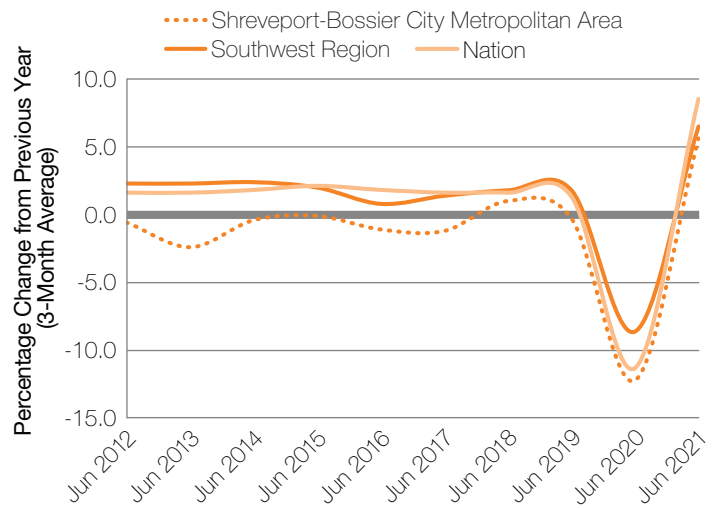
- Nonfarm payrolls in the Shreveport-Bossier City metropolitan area increased by 8,900 jobs, or 5.6 percent, compared with a decline of 22,100 jobs, or 12.2 percent, during the 3 months ending June 2020. The economy has improved from when the metropolitan area was under the most restrictive COVID-19 mitigation orders.
- The payroll sectors most affected by efforts to slow the spread of COVID-19 were those that rely heavily on in-person interaction, and they have improved the most as restrictions have eased. The service-providing sectors increased by 10,100 jobs, or 7.3 percent, from a year ago, whereas the goods-producing sectors declined by 1,200

jobs, or 5.7 percent, compared with a loss of 2,900 jobs, or 12.2 percent, from a year ago.

- The leisure and hospitality sector and the professional and business services sector gained the most jobs, increasing by 3,400 and 2,800 jobs, or 21.7 and 17.6 percent, respectively, compared with a year ago. Those two sectors combined accounted for 61 percent of the increase in the

continued on page 3

The current rate of nonfarm payroll recovery is slower in the Shreveport-Bossier City metropolitan area than in the region and the nation.



Source: U.S. Bureau of Labor Statistics

Six sectors in the Shreveport-Bossier City metropolitan area increased during the 3 months ending June 2021.

	3 Months Ending		Year-Over-Year Change	
	June 2020 (Thousands)	June 2021 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	159.5	168.4	8.9	5.6
Goods-Producing Sectors	20.9	19.7	-1.2	-5.7
Mining, Logging, & Construction	11.3	10.2	-1.1	-9.7
Manufacturing	9.5	9.5	0.0	0.0
Service-Providing Sectors	138.6	148.7	10.1	7.3
Wholesale & Retail Trade	26.7	28.1	1.4	5.2
Transportation & Utilities	6.6	6.9	0.3	4.5
Information	1.5	1.5	0.0	0.0
Financial Activities	7.3	7.1	-0.2	-2.7
Professional & Business Services	15.9	18.7	2.8	17.6
Education & Health Services	30.7	30.4	-0.3	-1.0
Leisure & Hospitality	15.7	19.1	3.4	21.7
Other Services	5.3	6.1	0.8	15.1
Government	28.8	30.8	2.0	6.9
Unemployment Rate	11.5%	6.7%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



continued from page 2

service-providing sectors compared with a year ago, when they accounted for 57 percent of the jobs lost in the service-providing sectors.

- The average unemployment rate was 6.7 percent, down from an average of 11.5 percent for the same 3-month period a year earlier. The monthly unemployment rate peaked in May 2020, at 13.0 percent. As COVID-19 containment measures loosened, the monthly unemployment rate began to fall through December 2020 before fluctuating during the first half of 2021.

To combat the spread of COVID-19, the governor of Louisiana declared a statewide public health emergency on March 11, 2020, and subsequently issued a series of proclamations that limited public gatherings and nonessential business operations. Since May 2020, the governor has issued a series of proclamations that allowed nonessential businesses to open. The reduced capacity limits affected every nonfarm payroll sector in the Shreveport-Bossier City metropolitan area. The leisure and

hospitality sector lost the most jobs, declining by 6,300 jobs, or 26.4 percent, during the 3 months ending May 2020. When casinos were allowed to reopen at a reduced capacity, the smallest riverboat casino, DiamondJacks Casino and Hotel, announced that it would close permanently.

### Largest Employers in the Shreveport-Bossier City Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Barksdale Air Force Base*	Government	9,252
Willis-Knighton Health System	Education & Health Services	7,414
Ochsner Louisiana State University Health Shreveport-Academic Medical Center	Education & Health Services	3,000

\*Data include military personnel, who are generally not included in nonfarm payroll survey data.

Note: Excludes local school districts.

Source: Greater Bossier Economic Development Foundation

## Sales Market Conditions

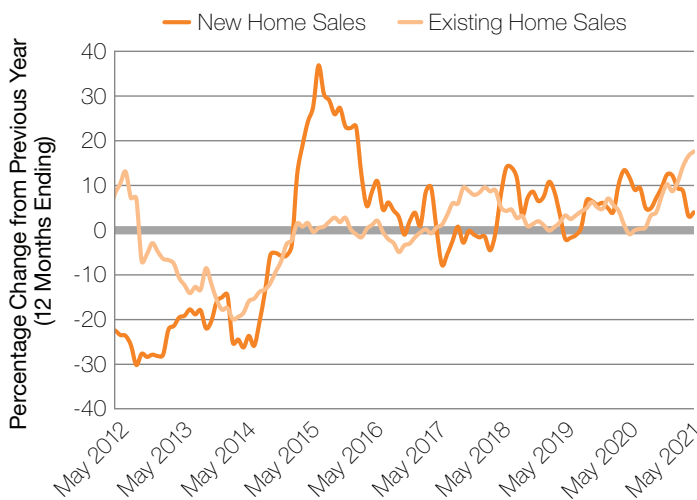
The sales housing market in the Shreveport-Bossier City metropolitan area is currently balanced, with an estimated vacancy rate of 1.4 percent, which is unchanged from April 2010. The supply of homes available for sale in the metropolitan area fell from a 4.0-month supply in May 2020 to a 2.1-month supply in May 2021 (CoreLogic, Inc.). The increase in demand for single-family homes is partly due to low mortgage interest rates, which have allowed more people to purchase homes. New and

existing home sales totaled 6,650 during the 12 months ending May 2021, up 16 percent from the same period a year ago, and the average sales price increased 8 percent, to \$212,300 (Zonda, with adjustments by the analyst). The price increase reflects increased demand for single-family homes as the supply of for-sale housing has been limited. By comparison, sales increased by less than 1 percent and prices increased by 2 percent during the 12 months ending May 2020. The share of seriously delinquent

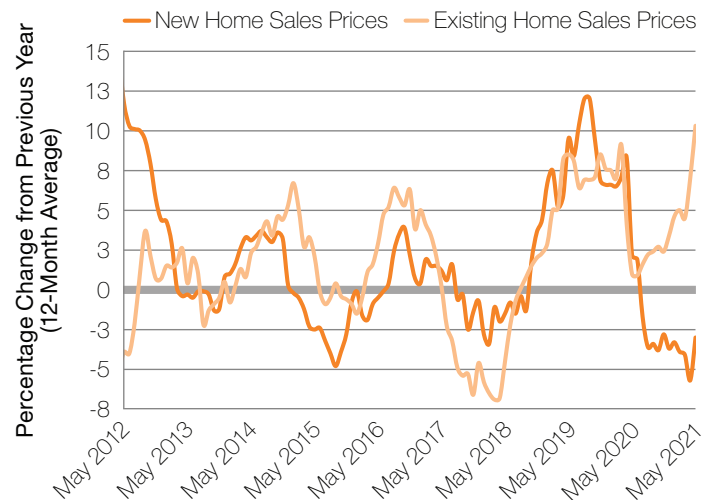
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After falling during the first half of 2020, existing home sales began increasing and have outpaced new home sales since March 2021.

New and existing home sales prices generally trended in the same direction from 2017 through mid-2020 before diverging in the fall of 2020.



Note: Sales are for single-family homes, townhomes, and condominiums. Source: Zonda, with adjustments by the analyst



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home loans (90 or more days delinquent or in foreclosure) and real estate owned (REO) properties was 5.8 percent in May 2021, compared with 3.5 percent in May 2020 and below the high of 7.5 percent in January and February 2010 (CoreLogic, Inc.). The most recent rate of seriously delinquent home loans and REO properties for the metropolitan area is higher than the 5.5-percent rate for Louisiana and the 3.3-percent rate for the nation.

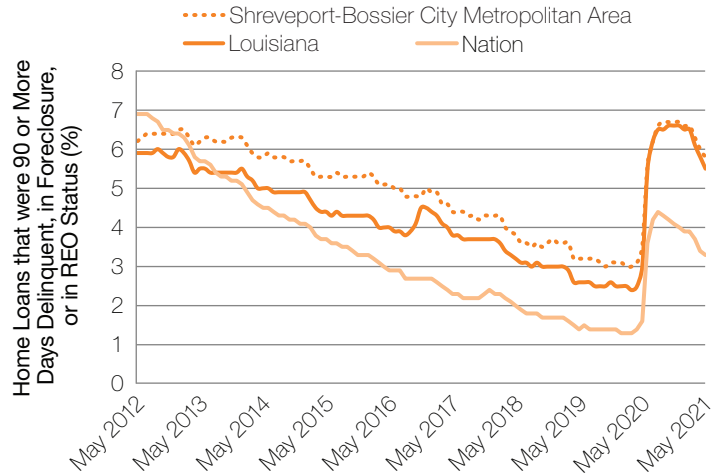
During the 12 months ending May 2021 —

- New home sales increased 4 percent, to 600 homes, compared with an increase of 12 percent during the previous 12 months, when new home purchases were elevated due to the pandemic (Zonda, with adjustments by the analyst). By comparison, from 2015 through 2019, new home sales increased by an average of 30 homes, or 7 percent, annually.
- The average sales price of a new home was \$270,200, down \$8,425, or 3 percent, compared with the previous 12 months. From 2017 through 2019, average new home sales prices increased by an average of \$8,900, or 3 percent, annually, and peaked at \$284,900 in 2020—the largest annual increase since at least 2005.
- Existing home sales (which include single-family homes, townhomes, and condominiums) totaled 6,050, an increase of 900 homes, or 17 percent, compared with the 5,150 homes sold during the previous 12 months. By comparison, existing home sales rose by an average of 240 homes, or 5 percent, annually from 2017 through 2019.
- The average price of an existing home was \$206,600, an increase of \$19,300, or 10 percent, from a year ago. This record growth rate in existing home sales prices during the past 12 months is due, in part, to increased demand for existing homes and decreased availability. By comparison, the average sales price increased by an average of \$3,025, or 2 percent, annually from 2017 through 2019.

Following an average increase of 65 permits, or 6 percent, annually from 2016 through 2018, single-family home construction, as measured by the number of single-family homes permitted, began trending downward in 2019 in response to weakening economic conditions and out-migration.

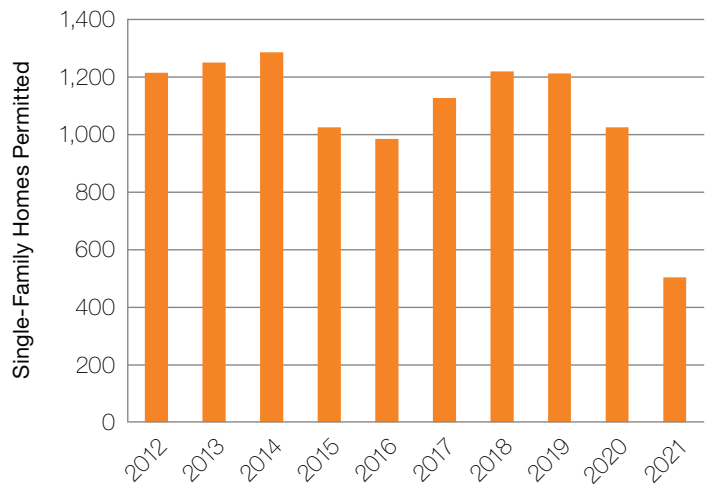
- A total of 1,075 single-family homes were permitted during the 12 months ending June 2021—down 4 percent from 1,125 homes during the 12 months ending June 2020 (preliminary data).
- Bossier and Caddo Parishes have accounted for 65 and 24 percent, respectively, of all single-family permitting in the metropolitan area since 2020.
- The Lucien Field Estates development in south Shreveport is currently under construction, with 220 homes planned

The percentage of home loans 90 or more days delinquent, in foreclosure, or recently transitioned to REO status in the Shreveport-Bossier metropolitan area has been higher than the national average since 2013.



REO = real estate owned.  
Source: CoreLogic, Inc.

Although single-family permitting in the Shreveport-Bossier City metropolitan area has declined since 2018, the level of permitting during the first half of 2021 was similar to the level of permitting that occurred during the first half of 2020.



Note: Includes preliminary data from January 2021 through June 2021.  
Source: U.S. Census Bureau, Building Permits Survey

at buildout and base prices ranging from \$243,000 for a three-bedroom, two-bathroom, 1,765-square-foot home to \$261,000 for a four-bedroom, three-bathroom, 2,092-square-foot home.



## Apartment Market Conditions

Apartment market conditions are currently slightly tight in the Shreveport-Bossier City metropolitan area, compared with balanced conditions in 2010. During the second quarter of 2021, the average apartment vacancy rate was 4.5 percent—down from 6.4 percent a year earlier. Apartment vacancy rates have generally trended downward since 2016 as units built from 2012 through 2015 have been absorbed.

During the second quarter of 2021 —

- The average apartment rent in the metropolitan area was \$872, an increase of 8 percent compared with the second quarter of 2020, when the average apartment rent was unchanged from a year earlier. By comparison, the average apartment rent during the second quarter of each year increased an average of 2 percent annually, from 2016 through 2019.
- Although both Class A and Class B apartments outperformed the overall apartment market in the metropolitan area, Class A apartments had the greatest improvement. The average vacancy rate for Class A apartments in the metropolitan area fell to 3.5 from 8.2 percent a year earlier, and the average rent was \$1,142, up 11 percent from a year earlier.
- The average apartment vacancy rate for Class B apartments was 4.1 percent, down from 5.5 percent a year ago, and the

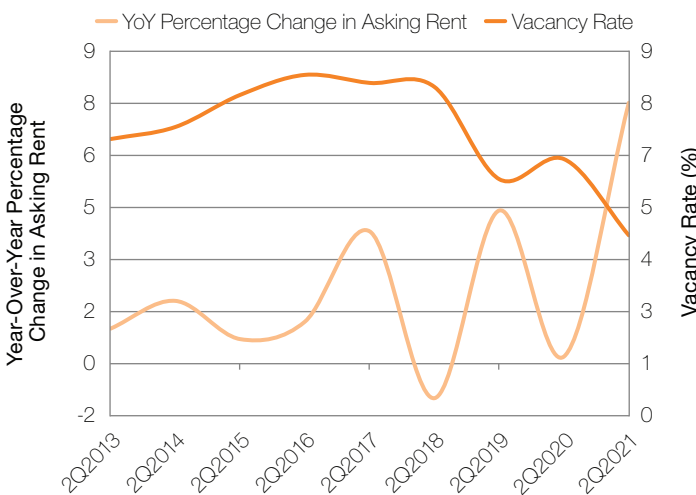
average rent was \$821, up 5 percent from a year earlier. The average apartment vacancy rate for Class C apartments was 6.2 percent, up from 6.0 percent a year ago, and the average rent was \$654, up nearly 2 percent from a year earlier.

- Apartment vacancy rates in the three RealPage, Inc.-defined market areas within the metropolitan area ranged from 4.4 percent in the Bossier City market area to 4.6 percent in the West Shreveport/De Soto Parish market area. Average apartment rents ranged from \$761 in the West Shreveport/De Soto Parish market area to \$937 in the East Shreveport market area.

Multifamily construction activity in the Shreveport-Bossier City metropolitan area, as measured by the number of multifamily units permitted, has declined significantly since 2014.

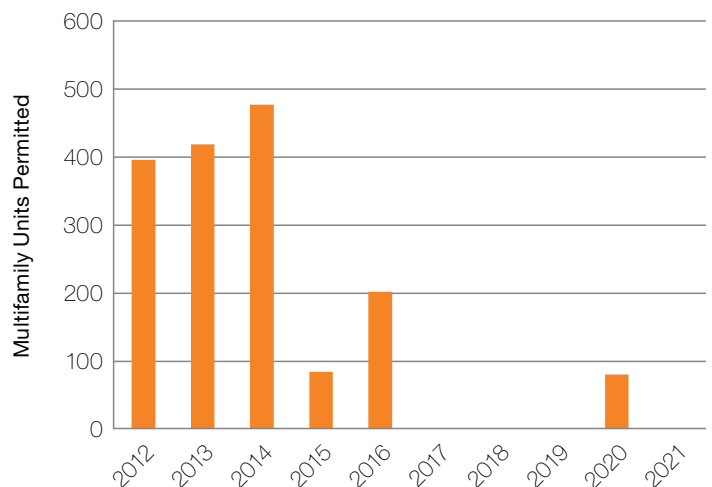
- Multifamily permitting has been limited since 2017 with 80 units permitted during 2020.
- From 2012 through 2014, multifamily permitting averaged 430 units a year and then fell to an average of 140 units from 2015 through 2016 as builders responded to increasing vacancy rates.
- Due to generally high levels of out-migration and apartment vacancies, no multifamily units were permitted from 2017 through 2019.

As the average vacancy rate in the Shreveport-Bossier City metropolitan area has declined, the average apartment rent has increased and has been particularly strong during the past year.



2Q = second quarter. YoY = year-over-year. Source: RealPage, Inc.

The number of multifamily permits fell to zero from 2017 through 2019 as builders responded to high levels of out-migration from the Shreveport-Bossier City metropolitan area during the period.



Note: Includes preliminary data from January 2021 through June 2021. Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

