

# COMPREHENSIVE MARKET ANALYSIS REPORTS



Policy Development & Research

## **Analysis of the Shreveport-Bossier City, Louisiana Housing Market As of January 1, 2006**



ECONOMIC RESEARCH

U.S. Department of Housing and Urban Development

## **Foreword**

This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the "as-of" date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD wishes to express its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

This analysis takes into consideration changes in the economic, demographic, and housing inventory characteristics of the market area during three periods: from 1990 to 2000, from 2000 to the as-of date of the analysis—January 1, 2006 (Current date)—and from the Current date to a Forecast date—January 1, 2009. In the analysis, 1990 and 2000 refer to the dates of the decennial census—April 1 unless specified otherwise. This analysis presents counts and estimates of employment, population, households, and housing inventory as of the 1990 Census, 2000 Census, Current date, and Forecast date. For purposes of this analysis, the forecast period is 36 months.

The prospective demand expressed in the analysis should not be construed as a forecast of building activity; rather, it presents the prospective housing production that would maintain a reasonable balance in the demand-supply relationship given the market conditions on the as-of date of the analysis. This analysis was prepared by W. Victor Crain, the Division's economist in HUD's Denver Regional Office, based on fieldwork conducted in August 2005 and January 2006. Questions regarding the findings and conclusions of the analysis may be addressed to Mr. Crain at 303-672-5072 and at [w.\\_victor\\_crain@hud.gov](mailto:w._victor_crain@hud.gov).

## **Housing Market Area**

The Shreveport-Bossier City, Louisiana Housing Market Area (HMA) is defined as Bossier and Caddo Parishes, which are treated as separate submarkets in this analysis. Shreveport is located in Caddo Parish and is home to Louisiana State University (LSU) at Shreveport and the LSU School of Medicine. Bossier City and Barksdale Air Force Base (AFB) are located in Bossier Parish. The HMA is part of the three-parish Shreveport-Bossier City, Louisiana Metropolitan Statistical Area (MSA), which also includes De Soto Parish. Nonfarm employment and income data pertain to all three parishes in the MSA.

## **Summary**

On August 29, 2005, Hurricane Katrina devastated the New Orleans metropolitan area and the gulf coast regions of Alabama and Mississippi. Less than a month later, Hurricane Rita impacted southern Louisiana and southeast Texas. The hurricanes caused more than 25,000 evacuees to initially relocate to the Shreveport-Bossier City HMA. During the first couple of months following the hurricanes, the area's 8,300 hotel and motel rooms were full and apartments were effectively 100 percent leased.

Sales activity for new and existing homes increased dramatically in the days following the hurricanes but leveled off significantly by the end of the year. Attorneys, insurance industry employees, and other professionals from the New Orleans area have occupied nearly all of the vacant office space in the HMA. The current population of the HMA is estimated at 368,400, which includes an estimated 10,000 evacuees remaining in the area.

The average unemployment rate reached a decade high of 6.9 percent in 2003. Cutbacks in the manufacturing, professional and business services, and other services sectors prompted the largest rise in unemployment since 1999. After 2003, the economy improved and the unemployment rate fell. At the end of 2004, the unemployment rate declined to 6.0 percent, where it remained through 2005. Since 2000, employment growth in the HMA has averaged 0.6 percent a year. Modest employment growth is forecast for the next 36 months and annual job gains are expected to slightly exceed the pace of approximately 870 jobs a year that has occurred since 2000. Employment growth during the forecast period is expected in the construction, educational and health services, and leisure and hospitality sectors. Barksdale AFB, tourism, and local government services will continue to be stabilizing forces in the local economy.

Before the hurricanes occurred, a decline in employment since 2001 slowed net in-migration. Population and household growth in the HMA accelerated as the economy began to improve in 2004 and the arrival of hurricane evacuees produced an unexpected effect on growth. Given the anticipated level of economic growth and the estimated number of evacuees leaving the area within the next 36 months, it is expected that the population and the number of households in the HMA will increase to 377,100 and 152,200, respectively, by January 1, 2009.

Due to the improved economy, construction of new homes is expected to remain strong. Reflecting the trend of the past few years, construction is expected to continue in the southern part of Shreveport and north of Bossier City. Sales of new and existing homes have remained strong because of low mortgage interest rates and innovative financing packages. During the 3-year forecast period, demand for new sales housing is expected to be comparable to the level of residential construction activity from 2003 through 2005 and average approximately 1,570 units a year.

Before hurricanes Katrina and Rita, the rental market in the HMA was competitive but balanced. Conditions in the rental market are tight because of the influx of evacuees but are expected to return to a balanced condition as the evacuees leave the area. During the next 24 months, the market is expected to absorb the available vacant rental units and units currently under construction. Forecast demand is expected to support the construction of approximately 810 units in the last 18 months of the forecast period.

## **Economy of the Area**

The HMA is the economic and healthcare center for northwest Louisiana, east Texas, and southwest Arkansas. Barksdale AFB is the leading employer, with approximately 7,900 military personnel and 2,000 civilian employees, followed by LSU Medical Center, with 5,700 employees. About 8,300 workers are employed in the five casinos located in the HMA. The General Motors Corporation manufacturing plant, which assembles light trucks and the new Hummer H3, employs approximately 2,600 workers.

In the early 1990s, the HMA was still being affected by the weak economy of the 1980s. Between 1990 and 1993, the area lost 3,300 workers. Employment growth occurred when the gambling industries were introduced in the HMA in 1994. From 1993 through 1996, the labor force and resident employment increased by about 9,400 and 8,600 workers, respectively. By the end of the 1990s, growth in the labor force had leveled off while resident employment continued to increase. The large gains made in the leisure and hospitality sector during the decade stimulated growth in the educational and healthcare, professional and business services, retail trade, and construction sectors. As a result, the unemployment rate declined from 5.9 percent in 1990 to 4.1 percent in 1999.

Employment growth continued into the 2000s. Since 2000, resident employment in the HMA has increased by 0.6 percent a year; this figure is equal to the annual gains made in the 1990s. The average unemployment rate remained unchanged at 6.0 percent in 2005. Trends in labor force, employment, and unemployment from 1990 through 2005 are presented in Table 1.

Nonfarm employment in the Shreveport-Bossier City, Louisiana MSA increased steadily through the 1990s, averaging approximately 3,300 jobs, or 2.5 percent, a year. Although job growth continued through 2000, the MSA started to lose nonfarm jobs in 2001 as the national recession began to take effect. Losses in the manufacturing, leisure and hospitality, and professional and business services sectors led to an overall loss of 1,100 nonfarm jobs in 2001. Job losses continued in these three sectors through 2003 and nonfarm employment decreased by another 3,000 jobs. Except for the manufacturing

industry, the economy began a broad-based rebound in 2004. In 2005, nonfarm employment was up by 5,100 jobs to 174,400 compared with the 2004 average. Except for the gambling industries and other services, all employment sectors posted gains in 2005. The trends in nonfarm employment for the MSA from 1990 through 2005 are presented in Table 2.

During the past year, resident employment in the HMA has increased. Growth is expected to continue during the forecast period and slightly exceed the average recorded since 2000. Resident employment should increase at a rate of 1.0 percent a year during the forecast period. Total employment in the HMA is expected to increase to 163,500 jobs by January 2009.

The construction, educational and health services, information, and leisure and hospitality sectors will be the primary sources for employment growth during the next 3 years. Nearly \$1 billion in public- and private-sector construction projects are currently planned or under way, including the expansion of Interstate 49 (I-49) and Louisiana Highway 3132 and improvements at the Kansas City Southern Railway switchyard. The construction of two steel manufacturing plants at the Port of Shreveport-Bossier will add more than 250 manufacturing jobs. The new Shreveport Convention Center should be completed by early 2006. Adjacent to the convention center, construction has started on a 350-bed Hilton® hotel.

InterTech Science Park (ITSP) is a major redevelopment project under way in central Shreveport. On completion, the 800-acre ITSP is expected to include 570,000 square feet of technology-commercial building space, a hotel, a convention center, retail and restaurant space, and a 16-acre residential subdivision. Phase 1 of the project is under way. The buildout of the \$500 million project will take an estimated 25 years. ITSP should generate 6,000 new technology jobs, with an annual payroll of \$225 million. The estimated increase in annual property, sales, and occupancy taxes as a result of ITSP is \$16.5 million.

To support the growing population in Bossier Parish, a \$70 million bond issue was passed to finance the construction of three new schools and major renovations of existing schools. Plans are under way for a major retail development in Bossier Parish. The development will be located near Airline Road and I-220. National retailers such as Target, Kohl's, and Best Buy have expressed interest in the development.

### ***Barksdale AFB***

Barksdale AFB is the home of the U.S. Air Force's 2<sup>nd</sup> Bomber Wing, the 8<sup>th</sup> Air Force, and the Air Force Reserve's 917<sup>th</sup> Wing. The base is located on more than 22,000 acres in Bossier Parish. An estimated 7,900 active duty and reserve personnel and nearly 2,000 civilian and contract employees are employed at the base. The annual payroll generated by the base is more than \$365 million. Indirect jobs created by the base total more than 3,200, with an estimated annual payroll of more than \$95 million. According to the fiscal year 2004 Barksdale AFB economic impact analysis, the base's total annual economic impact on the local economy is currently more than \$585 million, including \$125 million

in procurements and contracting. In addition, more than 40,000 military retirees and their dependents reside in northwest Louisiana because of the services offered at Barksdale AFB.

### ***Hurricanes Katrina and Rita***

Hurricanes Katrina and Rita dramatically affected the economy of the HMA, especially the educational and health services, financial activities, and professional and business services sectors. Several New Orleans financial institutions, law firms, medical offices, and other businesses have temporarily relocated to the HMA as a result of the devastation of the New Orleans Central Business District. During September through December 2005, the educational and health services sector increased by 400 jobs, the financial activities sector increased by 300 jobs, and the professional and business services sector increased by 1,400 jobs. Since August 2005, total nonfarm employment has increased by approximately 4,000 jobs. All service-providing industries, in addition to those previously mentioned, have benefited from the relocation of the New Orleans movie and television production industry to the HMA. Before the hurricanes hit the gulf coast, the movie and television production industry had a minimal impact on the economy of the HMA. Since the hurricanes occurred, the direct financial impact of the film industry on the local economy has been more than \$30 million. Two movies currently in production are employing an estimated 500 local residents at hourly wages starting at approximately \$20 an hour.

### **Household Incomes**

Between 1990 and 2000, the median family income of the HMA increased by an average of 4.7 percent a year, slightly less than the state average increase of 5.1 percent. Bossier and Caddo Parishes reported median family incomes of \$45,542 and \$38,872, respectively, according to the 2000 Census. HUD's Economic and Market Analysis Division estimates the 2006 median income for the Shreveport-Bossier City, Louisiana MSA at \$49,600.

### **Population**

Local sources estimated that shortly after the hurricanes in late August and September 2005, the population of the HMA increased by 25,000. As homes are being rebuilt in areas impacted by the hurricanes, evacuees are moving back to their hometowns. In addition, evacuees are leaving the HMA for jobs in other areas of the country or to be closer to family or friends. As of January 1, 2006, local sources estimate that approximately 10,000 evacuees remain in the HMA. Approximately 75 percent of the total evacuees are residing in Caddo Parish and the remainder in Bossier Parish. As of the Current date, the population of the HMA is estimated at 368,400, an average annual increase of approximately 3,125, or 0.9 percent, a year since the 2000 Census. An estimated 7,500 evacuees are expected to relocate from the HMA during the forecast period.

During the 1990s, slow population growth resulted from a weak economy and net out-migration averaged 370 a year. Bossier Parish gained about 500 people a year; that figure was offset by 870 people a year migrating out of Caddo Parish. Due to net natural increase (resident births minus resident deaths), the population of the HMA increased slowly at an average annual rate of 0.5 percent between 1990 and 2000. Bossier Parish increased at a moderate annual rate of 1.3 percent, while Caddo Parish increased at a substantially slower rate of 0.2 percent. The 2000 Census reported a total population of 350,471, with approximately 70 percent of the population residing in Caddo Parish. From 2000 to August 2005, the population of Bossier Parish continued to increase by an estimated 700 a year while Caddo Parish posted significant population decreases of approximately 1,100 a year. Annual net in-migration from 2000 to the Current date (adjusted for evacuees) is estimated at 1,130 people for Bossier Parish and about 180 people for Caddo Parish.

Nonhousehold population increased by 1,609 between the 1990 and 2000 Censuses, primarily due to an increase of 1,300 in the inmate population at correctional facilities in the HMA. Nonhousehold population has remained relatively constant since 2000 and is currently estimated at 8,500. A small increase in nonhousehold population should occur during the forecast period when a new dormitory is completed at Barksdale AFB. By the end of the forecast period, nonhousehold population is expected to reach 8,900.

Employment is expected to increase during the forecast period, resulting in slightly stronger net in-migration. During the forecast period, net in-migration, adjusted for evacuees relocating from the HMA, is anticipated to be nearly 1,000 people a year. Overall, the population of the HMA is expected to increase at an annual rate of 0.8 percent during the forecast period to 377,100 as of January 1, 2009. Table 3 presents the trends in population and household change from 1990 through the Forecast date for the HMA and both parishes.

## **Households**

A slow economy during the 1990s resulted in sluggish household growth. During the decade, the number of households grew by approximately 1,050, or 0.8 percent, annually. The household growth rate in Bossier Parish was 1.8 percent a year compared with 0.5 percent in Caddo Parish.

Population increases caused by the hurricanes resulted in the formation of a significant number of households. From 2000 to August 2005, the annual growth of households was 1.1 percent, or 1,450 units, annually. An estimated 142,300 households were residing in the HMA when Hurricane Katrina made landfall. Evacuees created an estimated 3,100 new households. As of January 1, 2006, an estimated 145,400 households were residing in the HMA, with 42,400 residing in Bossier Parish and 103,000 in Caddo Parish.

During the forecast period, the number of households is expected to grow, with the total at the end of the next 36 months depending on the number of evacuees leaving the area. As of the Forecast date, the number of households in the HMA is expected to total 152,200, including the remaining evacuees' households. Table 3 presents the trends in

population and household change from 1990 through the Forecast date for the HMA and both parishes.

### ***Military Housing***

Barksdale AFB maintains an inventory of about 730 housing units for noncommissioned and commissioned officers. An estimated 1,100 enlisted personnel live in the 12 dormitories located on base. Approximately 1,570 active-duty personnel and 1,600 dependents of military personnel live on base. A new \$14.4 million, 168-person dormitory is scheduled to open in June 2006. In total, approximately 4,600 active-duty personnel, 1,600 nonextended active-duty reserves, and an estimated 4,600 dependents live off base.

### **Housing Inventory**

Hurricanes Katrina and Rita had a negligible effect on the existing housing inventory in the HMA. Currently, fewer than 70 out of approximately 340 Federal Emergency Management Agency (FEMA) trailers or mobile homes in the two parishes are occupied. The unoccupied shelters are expected to remain vacant until infrastructure issues are resolved. For purposes of this analysis, the temporary shelters provided by FEMA are not included in the count of the existing housing inventory.

The total housing inventory in the HMA increased slowly during the 1990s because of the slow economy and a soft market. Between 1990 and 2000, the housing inventory increased by 0.4 percent, or approximately 600 units, a year. Household formations in Bossier Parish have fueled the increase in the housing inventory since 2000. The HMA housing inventory grew by approximately 1,270 units annually, almost double the 1990s' rate. The housing inventory increased in Bossier Parish by 850 units a year and in Caddo Parish by 420 units a year. The housing inventory in the HMA currently is estimated to be 155,930 units. Table 4 presents housing inventory, occupancy, tenure, and vacancy trends from 1990 through the Current date.

By the end of the 1990s, a slightly stronger economy, moderate population growth, and lower interest rates had stimulated single-family housing construction. Single-family building permit activity in the HMA totaled about 300 units in 1990; by 1999, activity had increased significantly to more than 1,000 units.

The introduction of the gambling industries to the HMA in the mid-1990s resulted in increased levels of construction that have continued to the Current date. Since 2000, single-family permit activity has averaged about 620 units annually in Bossier Parish and about 650 units in Caddo Parish. In 2005, single-family homes permitted in the HMA totaled about 1,625 units, up from 1,553 units in 2004. Most of the new subdivision developments are concentrated in the southeast quadrant of Shreveport and north of Bossier City. Although some speculative homes are being built, most homebuilders delay pulling building permits until sales contracts are executed. Home sales prices range from approximately \$120,000 for a starter home to more than \$500,000 for a custom luxury



home. Approximately 400 single-family homes are currently under construction in the HMA.

Increases in multifamily building permit activity in the 1990s were associated with the start of the gambling industries. During the 1990s, about 640 multifamily units were permitted in the HMA; approximately 450 of those units were permitted from 1994 through 1996. Multifamily building permit activity decreased sharply from 1997 through 2002 because of soft rental markets in both parishes; only 84 multifamily units were permitted during this period. Despite decreasing employment levels, multifamily building permit activity accelerated in 2002 and 2003. In Bossier Parish, multifamily units permitted increased by nearly 220 in 2002 and by nearly 700 in 2003 and 2004 combined. The number of building permits issued for multifamily units in Caddo Parish increased by nearly 120 units in 2003 and slightly more than 200 units in 2004.

In 2005, multifamily rental units permitted totaled about 760, up from 310 units permitted in 2004. Approximately 670 multifamily rental units are expected to enter the market during the next year. In addition, an estimated 450 market-rate rental units are in the construction pipeline. The trends in single-family and multifamily building permit activity in the HMA and its submarkets from 1990 through the Current date are presented in Table 5.

Shreveport has identified 16 neighborhoods for revitalization. According to the 2000 Census, these areas contained approximately 46,500 housing units. The housing stock was mostly old and dilapidated, with 40 percent built before 1950. In 2000, the vacancy rate for these targeted areas was 10.4 percent. More than 7,000 properties in the targeted neighborhoods are currently abandoned or considered surplus. Because of the hurricanes, revitalization plans are not final, but could allow for restoration, relocation, and/or demolition of the properties.

Approximately 17,300 manufactured homes are in the HMA. The number of manufactured homes located in the area has steadily increased since 1990 because of the homes' relative affordability compared with other housing types. Between 1990 and 2000, approximately 300 manufactured homes were added to the housing inventory each year. Since 2000, Bossier Parish has added an estimated 150 manufactured homes a year, while Caddo Parish has gained about 110 a year.

## **Housing Vacancy**

In 1990, both the sales and rental markets in the HMA were soft as a result of the weak economy. The sales and rental vacancy rates for the HMA were 4.1 percent and 14.1 percent, respectively. The total number of vacant units was nearly 18,640. Bossier Parish reported a sales market vacancy rate of 3.3 percent and a rental vacancy rate of 13.9 percent. In Caddo Parish, the sales market vacancy rate was 4.3 percent and the rental market vacancy rate was 14.2 percent.

As the economy began to improve in the mid-1990s, the sales market vacancy rate in the HMA began to decline. In 2000, the sales market vacancy rate was 1.8 percent, with an

estimated 1,588 homes available for sale. The rental market remained soft in 2000 due to the increased multifamily construction activity during the mid-1990s. The rental vacancy rate, which includes all types of rental properties, was 10.9 percent in 2000, with 5,700 available units vacant.

The impact of Hurricanes Katrina and Rita has significantly tightened the rental market. Before the hurricanes occurred, the rental vacancy rate in the HMA was estimated at 7.5 percent. As evacuees relocated to the HMA, nearly every available rental unit was occupied. Corporate leases were extensive and families doubled and tripled up in larger units. Vacancy rates fell to nearly 0 percent for the first couple of months after the hurricanes, but rents remained stable. As the evacuees began departing in November and December 2005, market conditions in the HMA eased but remained tight. Current occupancy rates are from the high 90 percent range for Class A, mid-90 percent range for Class B, and nearly 100 percent for Class C apartments. The overall rental vacancy rate is estimated at less than 5 percent. As more evacuees relocate to other areas and corporate leases expire, the rental market is expected to return to prehurricane conditions during the forecast period.

## **Sales Market Conditions**

The growing demand for and relatively low volume of new homes constructed during the 1990s led to increases in the value of owner-occupied housing. During the decade, the median value of an owner-occupied home increased by 4.6 percent a year in Bossier Parish and 3.8 percent a year in Caddo Parish. By 2000, the median value of an owner-occupied home was \$87,600 in Bossier Parish and \$75,100 in Caddo Parish.

Low mortgage interest rates, innovative financing packages, and an increase in military buyers have kept the sales market active since 2000. The median sales price of a home, which has continued to increase, was \$125,000 in 2005, up from \$107,000 in 2004. The increase in the median price can be attributed to rising demand and quick inventory turnover. Approximately 1,400 units are currently listed for sale in the HMA; this figure is typical for the market. In 2005, the Northwest Louisiana Association of REALTORS® reported sales of almost 5,150 homes; this figure represents a 6.6-percent gain compared with 2004. Table 6 presents trends in residential sales activity from 1995 through 2005.

Most of the evacuees living in the HMA have opted to rent rather than purchase homes. As a result, the hurricanes have had little impact on the sales market, other than causing an initial spike in home sales and home sales prices during the first couple of months after the hurricanes occurred. Nevertheless, the sales market may be impacted sometime in the future if the remaining evacuees decide to purchase homes in lieu of renting.

## **Rental Market Conditions**

The economic upswing of the mid-1990s, which eventually led to renter household growth, began to decline in 2000. Since 2000, an easing of in-migration and the significant volume of apartment construction have resulted in mostly balanced rental market conditions. Local sources estimate that the apartment occupancy rate before the

hurricanes occurred was 7.5 percent and the average rent was nearly \$570. Immediately following the hurricanes, the market tightened. As the evacuees begin to move back to their homes, relocate to other areas, or purchase homes in the HMA, the rental vacancy rate is expected to return to the prehurricane level. Rent specials and concessions are currently offered only as lease-up specials for recently completed market-rate complexes. During the next year, approximately 120 market-rate rental units are expected to enter the Bossier Parish market and 550 units are expected to enter the Caddo Parish market.

Shreveport has embarked on plans to stimulate downtown residential development by providing urban-style housing to those who prefer living in the city's core. The 490 apartment units currently in the downtown area have maintained occupancy rates consistently above 90 percent over the past couple of years. Monthly rents range from \$200 for efficiency units to more than \$1,700 for luxury two-bedroom apartments. Several other apartment communities in downtown Shreveport are in the planning stages.

Rental developments financed by low-income housing tax credits (LIHTCs) serve a wide range of income levels—from 40 to 60 percent of HUD's estimated median family income. Through 2003, 66 LIHTC properties were in service in the HMA providing more than 2,700 units for low-income households. Maximum gross rents, including utilities, for the income-restricted units in the HMA range from an estimated \$350 for efficiency units at 40 percent of median income to \$860 for four-bedroom units at 60 percent of median income.

### ***Subsidized Housing***

High demand for housing assistance and tight conditions in the assisted housing market characterize the HMA. The Housing Authority of Bossier City (HABC) maintains approximately 820 low-income housing units and the Housing Authority of the City of Shreveport (SHA) maintains about 1,250 units. Very few vacancies exist in project-based assistance and the average waiting time for a unit is usually 6 months to 1 year.

Given the high use of Section 8 vouchers in the HMA, SHA, Bossier Parish Section 8 Housing, and Caddo Parish Section 8 Housing maintain long waiting lists for residents who want to obtain vouchers for low-income housing. Currently, SHA administers approximately 3,500 vouchers. Caddo Parish administers about 140, and Bossier Parish Section 8 Housing administers approximately 640. HABC does not administer any vouchers. The average waiting time for a Section 8 voucher is more than 18 months.

HABC presently has two major real estate developments—Riverwood Apartments and Villages at Eagle Pointe—under way in Bossier City. The multiphase developments are nearing completion and, once complete, they will offer approximately 200 total units in 61 buildings. The proposed unit mix will include Section 8 units, affordable units for households whose income is 40 to 60 percent of the area's median family income, and approximately 40 market-rate units.

SHA is set to begin demolition of the 270-unit Naomi D. Jackson Heights (Jackson Heights) apartments in February 2006. Jackson Heights is the largest and oldest development operated by SHA and is located near the intersection of I-20 and I-49.

Jackson Heights is being razed to make way for the expansion of I-49. About 250 households currently reside at Jackson Heights; these households will not be displaced. SHA is building 270 new duplexes and quads throughout Shreveport and the households from Jackson Heights will have first right of refusal for new units. Demolition and construction of the new units should be completed by late 2007.

The U.S. Department of Agriculture Rural Development (RD) division offers rental assistance (RA) for projects financed through RD's Section 515 Program. RD has 15 different projects containing a total of approximately 490 units located throughout the HMA; 140 of the units are in Bossier Parish and about 350 units in Caddo Parish. Most of the units are eligible for RA. Non-RA rents range from \$470 for one-bedroom units to \$670 for three-bedroom units.

## **Forecast Housing Demand**

As outlined in the analyses, market conditions differ slightly in Caddo and Bossier Parishes. The principal differences between the two parishes are increasing population and household growth in Bossier Parish compared with declining growth in Caddo Parish. Due to the differences, forecast housing demand has been estimated separately for each parish.

The principal factor of demand is forecast household growth. During the next 36 months, the population of both parishes will increase due to increased job opportunities, which are expected to lead to increased household growth. Forecast population growth of 1.8 and 0.4 percent, respectively, and forecast household growth of 2.6 and 1.1 percent, respectively, for Bossier and Caddo Parishes are consistent with the levels registered since 2000. Projected growth in population and the number of households was adjusted for evacuees relocating from the area during the forecast period and then reconciled to determine the housing demand estimate.

Current market conditions and anticipated household growth in the HMA should produce demand for about 4,800 new sales units during the 36-month forecast period. Housing demand in the HMA and in both parishes has been adjusted for the current level of sales units under construction and for the anticipated number of evacuees that are expected to remain in the HMA. Accounting for the number of units currently under construction, sales demand should support the construction of an additional 1,260 units during the first 12 months of the forecast period. Demand is estimated for 700 units in Bossier Parish and 560 units in Caddo Parish. During the second and third years of the forecast period, demand is estimated for 870 units a year in Bossier Parish and 730 units a year in Caddo Parish. The forecast demand for new sales housing is about equal to the recent level of construction activity in both parishes. Continued construction at this level will keep the market in balance.

### ***Bossier Parish Rental Market***

The Bossier Parish rental market has an estimated 200 excess vacant rental units, about 120 rental units under construction, and nearly 320 units ready to start construction. As a

result, 640 units will be available during the first 12 months of the forecast period. Estimated absorption during the 36-month forecast period is about 1,100 units. All the excess vacant rental units and new units coming on the market should be absorbed during the first 24 months of the forecast period. Based on anticipated household growth and current market conditions in Bossier Parish, estimated demand for an additional 460 rental units should occur by the end of the 36-month forecast period. The additional 460 units should not come on the market until the end of the forecast period, implying a late 2007 start.

### ***Caddo Parish Rental Market***

The Caddo Parish rental market has an estimated 670 excess vacant rental units, about 550 rental units under construction, and about 130 units that are ready to start construction. As a result, 1,220 units will be available during the first 12 months of the forecast period and 130 new units will enter the market in early 2007. Estimated absorption during the 36-month forecast period is about 1,700 units. All the excess vacant rental units and units under construction and nearing construction should be absorbed during the first 24 months of the forecast period. Based on anticipated household growth and current market conditions in Caddo Parish, estimated demand for an additional 350 rental units should occur by the end of the 36-month forecast period. Most, if not all, of the 350 units should come on the market by the end of the forecast period, implying a mid- to late 2007 start.

The estimates of rental demand in both parishes are based on rental units consisting of studio/efficiency units, one-bedroom units, two-bedroom units, and units with three or more bedrooms. One- and two-bedroom units with minimum gross monthly rents of \$700 to \$900 should make up about 90 percent of the rental demand during the forecast period. The estimated demand for studio or efficiency units and units with three or more bedrooms is split equally.

**Table 1**  
**Labor Force and Employment**  
**Shreveport-Bossier City HMA**  
**1990 to December 31, 2005 (1 of 2)**

<b>Shreveport-Bossier City HMA</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>
Labor Force	154,535	155,272	156,667	151,050	155,538	157,500	160,465	161,995
Employment	145,418	145,241	146,914	142,068	145,500	147,929	150,675	152,191
Unemployment	9,117	10,031	9,753	8,982	10,038	9,571	9,790	9,804
Rate (%)	5.9	6.5	6.2	5.9	6.5	6.1	6.1	6.1
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Labor Force	161,953	160,538	161,498	164,132	162,434	164,257	164,431	169,206
Employment	152,926	154,026	153,832	155,341	151,637	152,845	154,630	159,238
Unemployment	9,027	6,512	7,666	8,791	10,797	11,412	9,801	9,968
Rate (%)	5.6	4.1	4.7	5.4	6.6	6.9	6.0	6.0
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Bossier Parish</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>
Labor Force	40,395	40,766	41,238	40,250	41,961	42,789	44,414	45,271
Employment	38,096	38,282	38,729	37,863	39,389	40,405	41,852	42,713
Unemployment	2,299	2,484	2,509	2,387	2,572	2,384	2,562	2,558
Rate (%)	5.7	6.1	6.1	5.9	6.1	5.6	5.8	5.7
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Labor Force	45,180	45,492	46,945	47,040	46,914	47,467	48,981	50,616
Employment	42,875	43,659	44,834	44,799	44,122	44,474	46,356	47,899
Unemployment	2,305	1,833	2,111	2,241	2,792	2,993	2,625	2,717
Rate (%)	5.1	4.0	4.5	4.8	6.0	6.3	5.4	5.4

Sources: U.S. Bureau of Labor Statistics  
Louisiana Department of Labor

**Table 1**  
**Labor Force and Employment**  
**Shreveport-Bossier City HMA**  
**1990 to December 31, 2005 (2 of 2)**

<b>Caddo Parish</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>
Labor Force	114,140	114,506	115,429	110,800	113,577	114,711	116,051	116,724
Employment	107,322	106,959	108,185	104,205	106,111	107,524	108,823	109,478
Unemployment	6,818	7,547	7,244	6,595	7,466	7,187	7,228	7,246
Rate (%)	6.0	6.6	6.3	6.0	6.6	6.3	6.2	6.2
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Labor Force	116,773	115,046	114,553	117,092	115,520	116,790	115,450	118,590
Employment	110,051	110,367	108,998	110,542	107,515	108,371	108,273	111,339
Unemployment	6,722	4,679	5,555	6,550	8,005	8,419	7,177	7,251
Rate (%)	5.8	4.1	4.8	5.6	6.9	7.2	6.2	6.1

Sources: U.S. Bureau of Labor Statistics  
Louisiana Department of Labor

**Table 2**  
**Nonfarm Employment by Industry**  
**Shreveport-Bossier City, Louisiana MSA**  
**1990 to December 31, 2005 (1 of 2)**

<b>Employment Sector</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
Total Nonfarm	134.8	135.9	140.0	145.5	151.0	157.1	160.5	163.4	166.7	168.1
Goods-Producing	27.0	26.3	27.0	28.0	28.2	29.6	29.6	29.5	29.6	28.4
Nat. Res. Mining & Const.	8.6	8.6	9.0	10.1	10.1	10.7	10.9	11.2	11.7	10.9
Construction	6.8	7.0	7.3	8.0	7.8	7.6	8.6	8.9	9.2	8.7
Manufacturing	18.4	17.7	18.0	17.9	18.1	18.9	18.8	18.3	17.9	17.5
Transportation Equip.	3.9	3.6	3.5	3.6	3.5	3.6	3.7	3.6	3.4	3.5
Service-Providing	107.8	109.6	113.1	117.5	122.8	127.5	130.9	133.9	137.1	139.8
Trade	24.3	24.0	24.0	24.6	25.2	25.7	25.9	25.8	26.2	25.9
Wholesale Trade	6.4	6.4	6.5	6.7	6.8	7.0	6.9	6.7	6.8	6.7
Retail Trade	17.9	17.6	17.5	17.9	18.4	18.7	19.0	19.1	19.4	19.2
Transport. & Utilities	6.2	5.9	5.5	5.6	6.0	5.7	5.5	5.5	5.3	5.3
Information	3.7	3.3	3.3	3.2	3.0	2.9	3.1	3.1	3.2	3.2
Financial Activities	7.2	6.9	6.7	6.7	6.6	6.4	6.7	6.6	6.6	6.8
Prof. & Bus. Svcs.	7.6	8.7	9.7	10.4	11.1	11.9	12.3	13.0	13.6	14.6
Edu. & Health Svcs.	13.9	14.8	15.9	17.1	18.3	18.9	19.6	20.3	20.3	20.5
Leisure & Hospitality	13.1	13.1	14.0	14.8	17.4	19.0	20.1	21.4	22.8	23.7
Gambling Industries	0.0	0.0	0.0	0.0	2.8	4.9	5.6	6.2	6.9	7.1
Other Services	5.5	5.8	6.0	6.3	6.6	7.0	7.1	7.3	7.5	7.9
Government	26.1	27.0	28.0	28.8	28.8	29.8	30.7	31.0	31.8	31.9
Federal	4.8	4.8	4.9	5.1	4.7	4.7	4.8	4.7	4.7	4.7
State	6.9	7.3	7.8	8.4	8.4	8.8	8.8	9.0	9.6	9.6
Local	14.4	14.8	15.3	15.4	15.6	16.4	17.0	17.2	17.5	17.6

Notes: Figures are in thousands.

Numbers may not add to totals due to rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics— North American Industry Classification System (NAICS)



**Table 2**  
**Nonfarm Employment by Industry**  
**Shreveport-Bossier City, Louisiana MSA**  
**1990 to December 31, 2005 (2 of 2)**

Employment Sector	2000	2001	2002	2003	2004	2005
Total Nonfarm	170.2	169.1	166.1	166.1	169.3	174.4
Goods-Producing	28.6	28.0	25.6	25.5	25.6	26.6
Nat. Res. Mining & Const.	11.4	12.1	11.3	11.6	11.5	12.1
Construction	8.8	9.0	8.4	8.3	8.2	8.6
Manufacturing	17.2	15.9	14.3	14.0	14.1	14.5
Transportation Equip.	3.4	3.1	3.1	3.4	4.2	4.2
Service-Providing	141.7	141.1	140.6	140.6	143.7	147.8
Trade	26.0	26.0	25.8	25.7	26.0	27.0
Wholesale Trade	6.7	6.8	6.8	6.7	6.8	7.0
Retail Trade	19.3	19.2	19.0	19.0	19.2	20.0
Transport. & Utilities	5.4	5.3	5.0	5.7	6.2	6.5
Information	3.2	3.0	3.0	2.9	2.9	2.9
Financial Activities	7.1	7.4	7.4	7.5	7.4	7.3
Prof. & Bus. Svcs.	15.1	14.4	13.5	13.3	14.1	15.7
Edu. & Health Svcs.	21.0	21.8	23.0	22.3	22.8	23.3
Leisure & Hospitality	24.1	23.2	22.4	22.8	23.2	23.8
Gambling Industries	7.4	9.3	8.6	8.9	8.9	8.3
Other Services	8.2	8.5	8.5	7.9	7.9	7.7
Government	31.7	31.5	32.0	32.6	33.3	33.7
Federal	4.8	4.6	4.5	4.7	4.7	4.7
State	9.3	9.1	9.5	9.7	10.0	10.3
Local	17.6	17.6	18.0	18.2	18.6	18.7

Notes: Figures are in thousands.

Numbers may not add to totals due to rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics—NAICS

**Table 3**  
**Population and Household Trends**  
**Shreveport-Bossier City HMA**  
**April 1, 1990 to January 1, 2009**

	April 1, 1990	April 1, 2000	Current Date	Forecast Date	Average Annual Change					
					1990 to 2000		2000 to Current		Current to Forecast	
					Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
<b>Population</b>										
Shreveport-Bossier City HMA	334,341	350,471	368,400	377,100	1,625	0.5	3,125	0.9	2,900	0.8
Bossier Parish	86,088	98,310	109,200	115,200	1,225	1.3	1,900	1.8	2,000	1.8
Caddo Parish	248,253	252,161	259,200	262,000	390	0.2	1,225	0.5	930	0.4
<b>Households</b>										
Shreveport-Bossier City HMA	123,966	134,602	145,400	152,200	1,050	0.8	1,880	1.4	2,250	1.5
Bossier Parish	30,718	36,628	42,400	45,800	590	1.8	1,000	2.6	1,150	2.6
Caddo Parish	93,248	97,974	103,000	106,400	470	0.5	870	0.9	1,150	1.1

Notes: Rate of change is calculated on a compound basis.  
Average annual changes rounded for comparison.  
Averages may not add to HMA totals due to rounding.

Sources: 1990 and 2000—U.S. Census Bureau  
Current and Forecast—Estimates by analyst

**Table 4**  
**Housing Inventory, Tenure, and Vacancy**  
**Shreveport-Bossier City HMA**  
**1990, 2000, and Current Date**

	Shreveport-Bossier City HMA			Bossier Parish			Caddo Parish		
	1990	2000	Current	1990	2000	Current	1990	2000	Current
<b>Total Housing Inventory</b>	142,609	148,582	155,930	34,994	40,286	45,200	107,615	108,296	110,700
Occupied Units	123,966	134,602	145,400	30,718	36,628	42,400	93,248	97,974	103,000
Owners	80,544	87,999	95,000	20,477	25,452	29,660	60,067	62,547	65,340
%	65.0	65.4	65.3	66.7	69.5	70.0	64.4	63.8	63.4
Renters	43,422	46,603	50,340	10,241	11,176	12,730	33,181	35,427	37,610
%	35.0	34.6	34.7	33.3	30.5	30.0	35.6	36.2	36.6
Vacant Units	18,643	13,980	10,490	4,276	3,658	2,830	14,367	10,322	7,660
For Sale	3,439	1,588	1,150	708	482	360	2,731	1,106	790
Rate (%)	4.1	1.8	1.2	3.3	1.9	1.2	4.3	1.7	1.2
For Rent	7,131	5,701	2,650	1,653	1,374	670	5,478	4,327	1,980
Rate (%)	14.1	10.9	5.0	13.9	10.9	5.0	14.2	10.9	5.0
Other Vacant	8,073	6,691	6,690	1,915	1,802	1,800	6,158	4,889	4,890

Note: Numbers may add to totals due to rounding.  
Sources: 1990 and 2000—U.S. Census Bureau  
Current—Estimates by analyst

**Table 5**  
**Residential Building Permit Activity**  
**Shreveport-Bossier City HMA**  
**1990 to December 31, 2005 (1 of 2)**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>Shreveport-Bossier City HMA</b>										
Total	296	517	802	971	1,176	1,077	1,264	786	821	1,033
Single-family	289	461	739	957	1,056	982	1,030	882	821	985
Multifamily	7	56	63	14	120	95	234	4	0	48
<b>Bossier Parish</b>										
Total	132	260	415	528	631	540	756	351	343	437
Single-family	125	255	395	518	551	469	522	347	343	437
Multifamily	7	5	20	10	80	71	234	4	0	0
<b>Caddo Parish</b>										
Total	164	257	387	443	545	537	508	435	478	596
Single-family	164	206	344	439	505	513	508	435	478	548
Multifamily	0	51	43	4	40	24	0	0	0	48

Sources: U.S. Census Bureau, Building Permits Survey  
 Local city and parish planning and permitting offices

**Table 5**  
**Residential Building Permit Activity**  
**Shreveport-Bossier City HMA**  
**1990 to December 31, 2005 (2 of 2)**

	2000	2001	2002	2003	2004	2005
<b>Shreveport-Bossier City HMA</b>						
Total	896	1,002	1,360	2,162	1,863	2,391
Single-family	864	1,002	1,104	1,453	1,553	1,625
Multifamily	32	0	256	709	310	766
<b>Bossier Parish</b>						
Total	391	455	723	1,273	867	1,032
Single-family	391	455	499	680	773	905
Multifamily	0	0	224	593	94	127
<b>Caddo Parish</b>						
Total	505	547	637	889	996	1,359
Single-family	473	547	605	773	780	720
Multifamily	32	0	32	116	216	639

Sources: U.S. Census Bureau, Building Permits Survey  
 Local city and parish planning and permitting offices

**Table 6**  
**Residential Sales Activity**  
**Northwest Louisiana Multiple Listing Service Region**  
**1995 through 2005**

<b>Year</b>	<b>No. of Sales</b>	<b>Annual Change (%)</b>	<b>Median Sales Price (\$)</b>	<b>Annual Change (%)</b>
1995	1,381	NA	76,000	NA
1996	3,433	148.6	76,500	0.7
1997	3,210	- 6.5	79,000	3.3
1998	3,662	14.1	83,500	5.7
1999	3,580	- 2.2	82,500	- 1.2
2000	3,861	7.8	83,000	0.6
2001	3,904	1.1	88,000	6.0
2002	4,102	5.1	89,900	2.2
2003	4,414	7.6	97,500	8.5
2004	4,823	9.3	107,000	9.7
2005	5,146	6.6	125,000	16.8

Notes: Sales data include all seven northwest Louisiana parishes in the multiple listing service region. Approximately 90 percent of the activity occurred in the HMA.

Source: Northwest Louisiana Association of REALTORS®