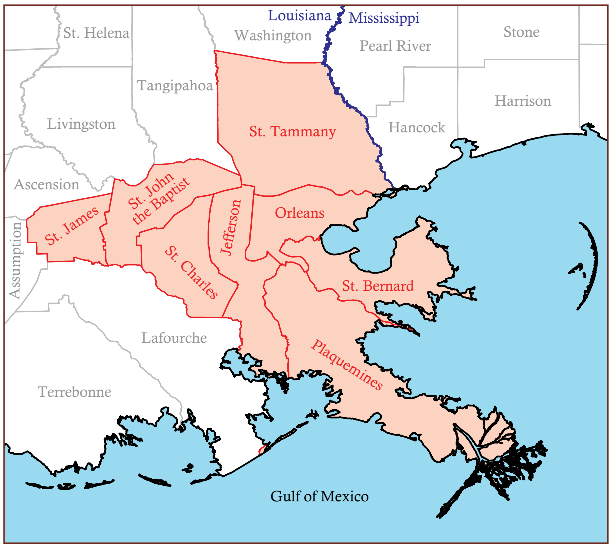
COMPREHENSIVE HOUSING MARKET ANALYSIS

# New Orleans, Louisiana

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of April 1, 2018




## Housing Market Area

The New Orleans Housing Market Area (HMA) is near the mouth of the Mississippi River in southeastern Louisiana. The HMA, which is coterminous with the New Orleans-Metairie, LA Metropolitan Statistical Area, comprises eight parishes—Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, and St. Tammany. For purposes of this analysis, the HMA is divided into three submarkets—the Jefferson Parish submarket; the Orleans Parish submarket, which is coterminous with the city of New Orleans; and the Remainder submarket, which consists of the remaining six parishes. Demographic, employment, and housing data for the HMA appear in Table DP-1 at the end of this report.

# Summary


## Economy

The economy of the New Orleans HMA contracted slightly during the past year. Nonfarm payrolls during the 12 months ending March 2018 averaged 575,100 jobs, down by 1,300, or 0.2 percent, from a year earlier. By comparison, payrolls decreased 0.1 percent during the same period a year earlier. The HMA has struggled to recover from the effects of Hurricane Katrina, which made landfall in 2005. Current payrolls remain about 8 percent below the pre-Hurricane Katrina payroll level. During the next 3 years, nonfarm payrolls are expected to increase an average of less than 1.0 percent annually.

## Sales Market

Economic and population growth, particularly during the first half of the 2010s, contributed to balanced sales housing market conditions in the HMA overall compared with a soft sales market in 2010. During the 3-year forecast period, demand is expected for 7,450 new homes (Table 1). The 980 homes currently under construction will likely satisfy some of the forecast demand.

## Rental Market

Rental housing market conditions in the HMA have fluctuated greatly since Hurricane Katrina made landfall in 2005 because of swings in both demand and available supply. Rental market conditions are currently soft, as they were in April 2010. An excess supply of units is the primary reason for the continued soft conditions. During the forecast period, demand is expected for approximately 390 and 710 new rental units in the Jefferson Parish submarket and the Remainder submarket, respectively. No new rental units are currently under construction in the Jefferson Parish submarket. The 350 units currently under construction will satisfy a portion of the


## Market Details

demand in the Remainder submarket. In the Orleans Parish submarket, the existing inventory of vacant available units for rent combined with rental units under construction and in the pipeline is expected to satisfy demand (Table 1).

**Table 1.** Housing Demand in the New Orleans HMA During the Forecast Period

| | New Orleans HMA | | Jefferson Parish Submarket | | Orleans Parish Submarket | | Remainder Submarket | |
|---|---|---|---|---|---|---|---|---|
| | Sales Units | Rental Units | Sales Units | Rental Units | Sales Units | Rental Units | Sales Units | Rental Units |
| Total demand | 7,450 | 1,100 | 1,275 | 390 | 1,650 | 0 | 4,525 | 710 |
| Under construction | 980 | 1,850 | 150 | 0 | 340 | 1,500 | 490 | 350 |

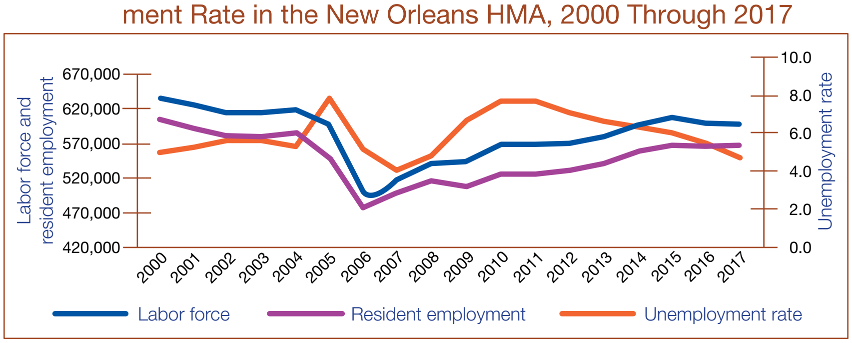
*Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of April 1, 2018. The forecast period is April 1, 2018, to April 1, 2021.*
*Source: Estimates by analyst*

# Economic Conditions

The effects of Hurricane Katrina on the economy of the New Orleans HMA were unprecedented and resonate more than 10 years later. Nonfarm payrolls during the 12 months ending August 2005, when Hurricane Katrina made landfall, averaged 621,800 jobs, but, during the 12 months ending August 2006, payrolls declined by 147,700 jobs, or 23.8 percent. The average unemployment rate increased significantly during the 3 months after Hurricane Katrina made landfall, increasing to 15.2 percent during the 3 months ending November 2005 compared with 5.2 percent during the same period a year earlier. As the population relocated to areas outside the HMA, the labor force in the HMA declined by 124,000 workers, or nearly 20 percent, to 503,000 during the 12 months ending August 2006. Figure 1 shows annual trends in the labor force, resident employment, and the unemployment rate from 2000 through 2017.

Economic recovery in the HMA, fueled by more than $120 billion in government investment, began in earnest in May 2007 and continued until July 2009. During this period, nonfarm payrolls increased by an average of 10,100 jobs, or 1.9 percent, annually to reach 536,600 jobs, or 86 percent of the pre-Hurricane Katrina payroll level. Leading job growth were the education and health services and the leisure and hospitality sectors, which increased by averages of 3,300 and 2,700 jobs annually, or 4.9 and 4.3 percent, respectively. The unemployment rate decreased from 8.4 percent during the 12 months ending May 2006 to 6.2 percent during the 12 months ending July 2009.

**Figure 1.** Trends in Labor Force, Resident Employment, and Unemployment Rate in the New Orleans HMA, 2000 Through 2017

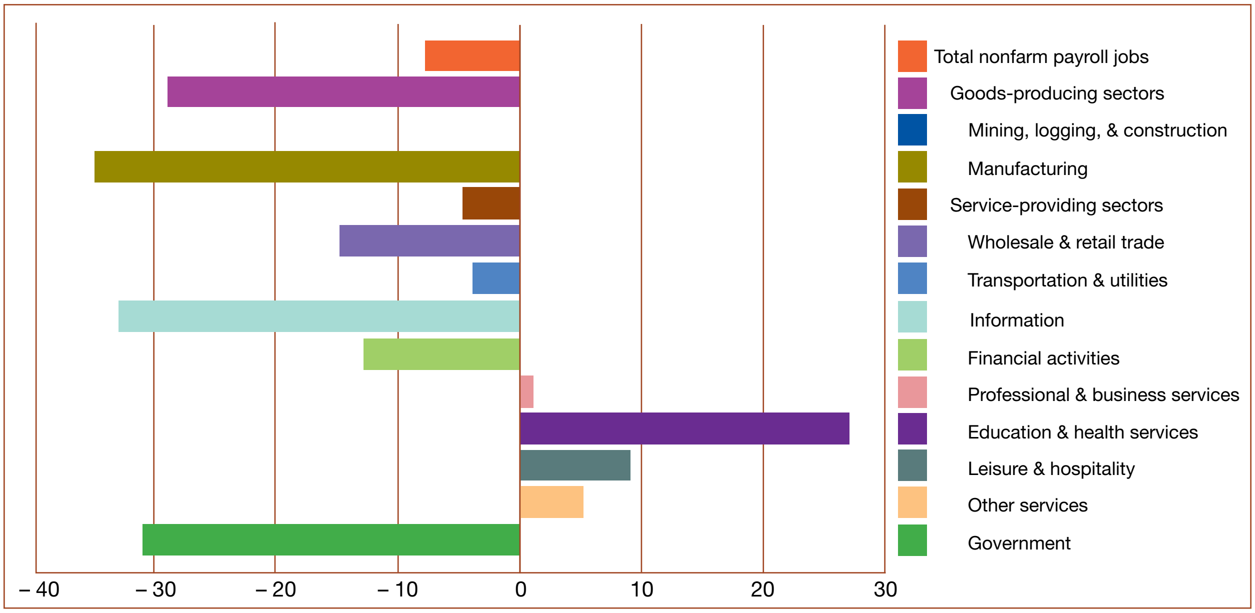



*Source: U.S. Bureau of Labor Statistics*

Although rebuilding efforts in the HMA buffered the local economy from the brunt of the effects of the Great Recession, nonfarm payrolls declined from August 2009 through 2010, with an average decrease of 1,600 jobs, or 0.3 percent, annually. By comparison, nonfarm payrolls decreased an average of 2.4 percent annually during the same period nationally. Job losses in the HMA during this period occurred in nearly every sector but were greatest in the manufacturing sector, which declined by an average of 1,700 jobs, or 4.6 percent, to 34,900 jobs, partly the result of layoffs of 300 employees at the Huntington Ingalls Industries, Inc. shipyard in the city of Avondale in the Jefferson Parish submarket stemming from a cutback in shipbuilding for the U.S. Navy. From October 2010 to February 2014, when shipbuilding for the U.S. Navy was discontinued entirely, Huntington Ingalls laid off approximately 5,000 employees working at the Avondale shipyard. Gains in the education and health services sector, which increased by an average of 3,400 jobs, or 4.7 percent, annually, to 77,400 jobs, offset a portion of total nonfarm payroll losses from August 2009 through 2010. The reopening of several medical facilities damaged by Hurricane Katrina contributed to job growth in this sector. The 12-month average unemployment rate continued to increase during this period and, by December 2010, reached 7.7 percent.

From 2011 through 2015, nonfarm payrolls increased by an average of 8,700 jobs, or 1.6 percent, annually to 576,400 jobs. The education and health services sector had the greatest payroll gain, increasing by an average of 3,500 jobs, or 4.1 percent, annually to 94,800 jobs. The hiring of nearly 2,000 employees at Louisiana Children's Medical Center (hereafter, LCMC Health) in June 2013, resulting from the privatization of Interim LSU Public Hospital that the State of Louisiana previously operated, contributed to gains in the sector. In addition, the $1.2 billion University Medical Center (UMC) near downtown New Orleans replaced Charity Hospital, which was destroyed by Hurricane Katrina, and also contributed to sector growth when it opened in August 2015. UMC, a member of LCMC Health, currently has 2,600 full-time employees. LCMC Health has an annual economic impact of $1.26 billion on the HMA (New Orleans Chamber of Commerce). Job growth was also strong in the leisure and hospitality sector, which increased by an average of 3,100 jobs, or 4.0 percent, to 85,300 jobs, partially because of a growing local tourism industry. From 2011 through 2015, the number of visitors increased an average of 3.4 percent annually to 9.80 million visitors during 2015, and tourism-related spending increased an average of 6.0 percent annually to $7.1 billion during the same period (New Orleans Convention & Visitors Bureau). Partly offsetting job gains from 2011 through 2015, the government sector declined by an average of 2,200 jobs, or 2.8 percent, annually to 72,900 jobs, partly resulting from the privatization of Interim LSU Public Hospital. Job losses in the government sector also stemmed from significant budget cuts by the State of Louisiana. As payrolls increased overall, the average unemployment rate steadily decreased from 2011 through 2015, reaching 6.0 percent by 2015. Figure 2 shows the percentage change in nonfarm payrolls by sector from 2000 to the current date.

**Figure 2.** Sector Growth in the New Orleans HMA, Percentage Change, 2000 to Current




*Notes: Current is based on 12-month averages through March 2018. During this period, payrolls in the mining, logging & construction sector showed no net change.*
*Source: U.S. Bureau of Labor Statistics*

Since 2016, nonfarm payrolls in the HMA have declined by an average of 600 jobs, or 0.1 percent. Recently, job losses have increased slightly, with nonfarm payrolls decreasing during the 12 months ending March 2018 by an average of 1,300 jobs, or 0.2 percent, to 575,100 jobs from the same period a year earlier (Table 2). Job losses in 7 of the 11 major nonfarm payroll sectors contributed to the job decline during the 12 months ending March 2018. The greatest decline in the number of jobs was in the wholesale and retail trade sector, which decreased by an average of 2,300 jobs, or 2.6 percent, to 84,800 jobs. Job losses in the retail trade subsector accounted for 84 percent of the decline in the wholesale and retail trade sector, decreasing by an average of 1,900 jobs, or 3.0 percent, to 62,400 jobs. Losses were mostly because of several store closures, including Target Corporation, Wal-Mart Stores, Inc. (Sam's Club), Sears Brands, LLC, and Kmart, as part of a nationwide trend. The number of jobs in the financial activities sector decreased during the 12 months ending March 2018 by 700 jobs, or 2.3 percent, to 29,600 jobs, partly because a decline in energy-related stock and equity trading activity among brokerage firms. Jobs in the state government subsector declined by 400 jobs, or 3.3 percent, mostly because of State of Louisiana budget cuts. Gains in the

**Table 2.** 12-Month Average Nonfarm Payroll Jobs in the New Orleans HMA, by Sector

| | 12 Months Ending | | Absolute Change | Percent Change |
|---|---|---|---|---|
| | March 2017 | March 2018 | | |
| Total nonfarm payroll jobs | 576,400 | 575,100 | – 1,300 | – 0.2 |
| Goods-producing sectors | 64,200 | 64,300 | 100 | 0.2 |
| Mining, logging, & construction | 34,000 | 33,600 | – 400 | – 1.2 |
| Manufacturing | 30,200 | 30,700 | 500 | 1.7 |
| Service-providing sectors | 512,200 | 510,800 | – 1,400 | – 0.3 |
| Wholesale & retail trade | 87,100 | 84,800 | – 2,300 | – 2.6 |
| Transportation & utilities | 28,500 | 28,400 | – 100 | – 0.4 |
| Information | 7,300 | 7,200 | – 100 | – 1.4 |
| Financial activities | 30,300 | 29,600 | – 700 | – 2.3 |
| Professional & business services | 75,500 | 75,400 | – 100 | – 0.1 |
| Education & health services | 99,600 | 100,500 | 900 | 0.9 |
| Leisure & hospitality | 87,700 | 88,500 | 800 | 0.9 |
| Other services | 24,300 | 24,200 | – 100 | – 0.4 |
| Government | 71,900 | 72,200 | 300 | 0.4 |

*Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through March 2017 and March 2018.*
*Source: U.S. Bureau of Labor Statistics*

education and health services and the leisure and hospitality sectors, which increased by averages of 900 and 800 jobs, or 0.9 percent each, to 100,500 and 88,500 jobs, respectively, partly offset job declines. Hiring stemming from the opening of several hospitals in the HMA, including the Ochsner Health System West Bank Campus, contributed to gains in the education and health services sector. The $360 million facility opened in March 2018 and resulted in nearly 200 new jobs. The education and health services sector is the largest job sector in the HMA and includes the three largest employers in the HMA. Ochsner Health System is the largest employer, with 18,000 employees (Table 3). LCMC Health and Tulane University employ 8,300 and 4,600 workers and are the second and third largest employers respectively. Tulane University has an average economic impact on the HMA of nearly $1.0 billion annually (Tulane University). During the 12 months ending March 2018, continued growth in the tourism industry contributed to gains in the leisure and hospitality sector. A record-level 10.99 million visitors during 2017 spent $7.5 billion (University of New Orleans Hospitality Research Center). Also, the Port of New Orleans had a record-level 1.10 million cruise ship passengers during 2017 (Port of New Orleans). The leisure and hospitality sector is the second largest sector in the HMA, and the wholesale and retail trade sector is the third largest sector (Figure 3). The average unemployment rate was 4.5 percent during the 12 months ending March 2018, down from 5.4 percent during the same period a year earlier.

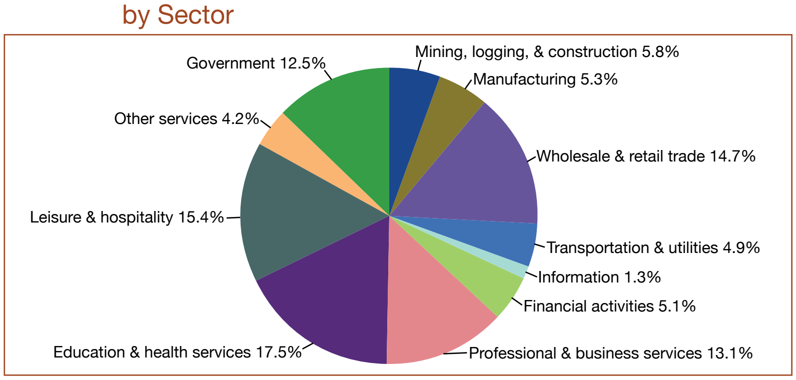
Economic conditions in the HMA are expected to improve during the next 3 years. Nonfarm payrolls are expected to increase an average of 0.4 percent annually, with job growth improving each year of the 3-year forecast period. Gains are expected in the education and health services sector because of several hospital expansions, including Children's Hospital of New Orleans by LCMC Health. The $300 million expansion includes nearly 300 additional private rooms and 250 beds to be completed in three phases, with two phases slated to be complete by 2020 and the third in 2021. In the transportation and utilities sector, increased hiring is expected on the completion of the $1.0 billion expansion of the Louis Armstrong New Orleans International Airport in February 2019. The expansion, which includes a 35-gate terminal,

**Table 3.** Major Employers in the New Orleans HMA

| Name of Employer | Nonfarm Payroll Sector | Number of Employees |
|---|---|---|
| Ochsner Health System | Education & health services | 18,000 |
| Louisiana Children's Medical Center | Education & health services | 8,300 |
| Tulane University | Education & health services | 4,600 |
| Acme Truck Line Inc. | Transportation & utilities | 3,150 |
| East Jefferson General Hospital | Government | 3,000 |
| Caesars Entertainment Corporation | Leisure & hospitality | 2,400 |
| Al Copeland Investments, Inc. | Leisure & hospitality | 2,200 |
| Laitram L.L.C. | Manufacturing | 1,800 |
| Jefferson Parish Sheriff's Office | Government | 1,600 |
| New Orleans Police Department | Government | 1,200 |

*Note: Excludes local school districts.*
*Sources: Local Chambers of Commerce; employers*

**Figure 3.** Current Nonfarm Payroll Jobs in the New Orleans HMA, by Sector




*Note: Based on 12-month averages through March 2018.*
*Source: U.S. Bureau of Labor Statistics*

is expected to have an economic impact on the HMA of $3.2 billion annually once complete (City of New Orleans Office of the Mayor). Jobs in the mining, logging, and construction sector are expected to increase due to a planned expansion in Plaquemines Parish by Venture Global LNG. The company plans to begin construction on an $8.5 billion natural gas liquefaction facility in late 2018, resulting in 2,200 construction jobs (State of Louisiana Office of the Governor). Once complete, the facility is expected to employ 250 workers at an average salary of $70,000 a year.

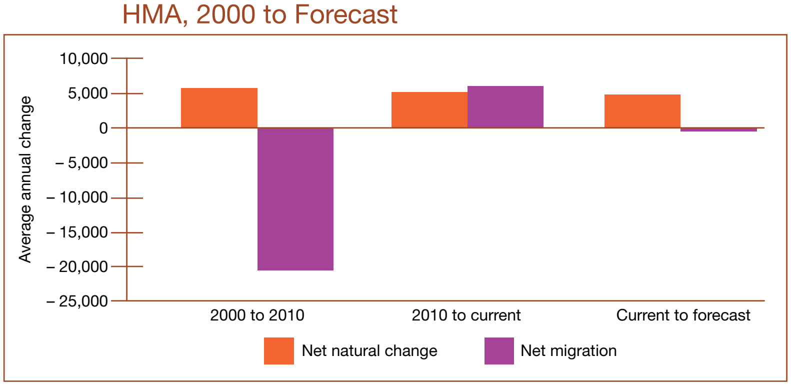
# Population and Households

Hurricane Katrina caused significant damage to the New Orleans HMA; an estimated 180,000 housing units were severely damaged or destroyed (32 percent of the housing stock), and 400,000 residents were displaced (29 percent of the population). In addition, an estimated 40,700 occupied housing units were damaged in the wake of Hurricane Isaac, which made landfall in August 2012. Of the total number of occupied homes damaged, about 3,800 homes were seriously damaged or destroyed. The impact from Hurricane Isaac was greatest in St. John the Baptist Parish in the Remainder submarket, where one-eighth of all occupied homes in the parish were severely damaged or destroyed. Nearly 13 years after the Hurricane Katrina disaster, recovery from that widespread destruction continues, along with recovery from Hurricane Isaac.

The current population of the HMA is estimated at approximately 1.28 million, representing an average increase of 11,000, or 0.9 percent, annually since 2010, with 54 percent of the population growth resulting from net in-migration (Figure 4). The current population of the HMA remains 8 percent below the pre-Hurricane Katrina population level of 1.39 million recorded in July 2005 (U.S. Census Bureau population estimates as of July 1). The city of New Orleans in the Orleans Parish submarket has the largest population in the HMA, with an estimated population of 392,700, followed by Metairie, a Census Designated Place in the Jefferson Parish submarket, with an estimated population of 146,400. The city of Kenner, also in the Jefferson Parish submarket, has the third largest population, an estimated 68,500.

The population of the Jefferson Parish submarket is an estimated 439,300, having increased by an average of 840, or 0.2 percent, annually since 2010. Net out-migration has occurred each

**Figure 4.** Components of Population Change in the New Orleans HMA, 2000 to Forecast




*Notes: The current date is April 1, 2018. The forecast date is April 1, 2021.*
*Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst*

year in the submarket since 2010, averaging about 860 people annually. Between 2000 and 2010, net out-migration occurred in the submarket every year except from 2006 to 2007, when rebuilding efforts in the Orleans Parish submarket resulted in an influx of contractors and construction workers to the Jefferson Parish submarket (Census Bureau decennial census counts and population estimates as of July 1).

Since 2010, the return of residents displaced by Hurricane Katrina to the Orleans Parish submarket as a result of continuing recovery efforts has contributed to an estimated average annual population increase of 6,100, or 1.7 percent, in the submarket. Net in-migration accounted for 73 percent of the population growth during this period. Since 2010, population growth in the Orleans Parish submarket has accounted for 55 percent of the population growth of the New Orleans HMA. Despite the relatively strong population growth, the population of the submarket remains 21 percent below the population in 2005. Since 2010, net in-migration has diminished each year in the submarket, mostly because the number of displaced residents returning to the submarket has decreased each year. Net out-migration of 1,225 residents occurred from 2016 to 2017 compared with net in-migration of 11,050 people from 2010 to 2011.

The current population of the Remainder submarket is estimated at 446,200, representing an increase of 4,100, or 1.0 percent, annually since 2010, with net in-migration comprising 60 percent of the population growth. Of the parishes in the Remainder submarket, St. Tammany Parish recorded the most population growth, increasing by an average of an estimated 3,150 people, or 1.3 percent, to 259,000 people. The city of Slidell, with an estimated population of 28,300, is the most populous city in the Remainder submarket. Hurricane Katrina recovery efforts in St. Bernard Parish contributed to an average annual population increase of 1,325, or 3.3 percent, to an estimated 46,500, or 29 percent less than the population in July 2005, before Hurricane Katrina made landfall. Since 2010, the population in Plaquemines, St. Charles, St. James, and St. John the Baptist Parishes has declined by a combined average of 390, or 0.3 percent, annually to a current population of 140,700. Recovery efforts in these parishes resulted in the return of most of the residents who were displaced by Hurricane Isaac in 2012, though many residents continue to leave.

From 2000 to 2005, before Hurricane Katrina, the HMA population increased by an average of 9,275, or 0.7 percent, annually to nearly 1.39 million. During the period, population growth occurred in each of the submarkets, mostly because of net natural change (resident births minus resident deaths) in two of the three submarkets. The population of the Jefferson Parish submarket increased slightly by an average of 210, or less than 0.1 percent, annually to 456,600, entirely because of net natural change of 2,100 people a year. Net out-migration occurred in the submarket at an average pace of about 1,900 people annually during the period, although less than the average net out-migration of 2,225 people annually during the 1990s. In the Orleans Parish submarket, the population increased from 2000 to 2005 by an average of 1,825, or 0.4 percent, annually to reach 494,300, also entirely because of net natural increase, which averaged 2,050 residents annually. Net out-migration occurred in the submarket during this period at an average of 230 people annually. By comparison, during the 1990s, net out-migration occurred at an average of 4,125 residents annually. The population of the Remainder submarket recorded an average annual increase from 2000 to 2005 of 7,225, or 1.8 percent, to 435,600, partly because of net in-migration that averaged 4,850 people a year compared with an average net in-migration of 3,000 people annually during the 1990s. More than one-half of the gain that occurred in the New Orleans HMA during this period was in St. Tammany Parish, where the population increased by an average of 5,050, or 2.5 percent, annually to 217,400, mostly as a result of an influx of homebuyers from other parishes within the HMA.

After Hurricane Katrina, the HMA population decreased by an estimated 346,200, or 25.0 percent, from 2005 to 2006 to an estimated 1.04 million. The greatest population declines occurred in the Orleans Parish submarket, where damage to homes and businesses was greatest. The population of the submarket decreased during this period by 264,100, or 53.4 percent. Damage in portions of the Jefferson Parish submarket resulted in a population decrease of 30,250, or 6.6 percent. The Remainder submarket population declined by 51,850, or 11.9 percent, during the same period. The adverse effects caused by Hurricane Katrina were felt most, on a proportional basis, in St. Bernard Parish, where the population decreased from 71,300 in 2005 to 16,550 in 2006, representing a 77-percent decline. Homes in Plaquemines Parish were also damaged, causing the population to decline 24.5 percent. St. Charles, St. James, and St. John the Baptist Parishes in the western portion of the Remainder submarket were the least affected by Hurricane Katrina and recorded population growth of 3.5, 2.6, and 4.4 percent respectively. The population growth in these parishes was partly the result of in-migration of displaced residents from other parishes in the HMA. During this period, net in-migration to St. Charles, St. James, and St. John the Baptist Parishes totaled a combined 3,650 people compared with an average net in-migration of 130 residents annually during the previous 5 years. Although homes were also damaged in portions of St. Tammany Parish, the effects were localized in the southern and eastern sections of the parish, and an influx of displaced residents from the Orleans Parish submarket and from St. Bernard Parish to unaffected portions of St. Tammany Parish contributed to a 2.7-percent population increase.

From 2006 to 2010, a considerable rebuilding effort occurred throughout most of the HMA. Repaired and replaced homes, businesses, infrastructure, schools, and hospitals prompted many displaced residents to return to the HMA, resulting in the population increasing by an average of 39,900, or 3.6 percent, annually and returning to about 86 percent of the pre-Hurricane Katrina population level. Gains in population during this period were greatest in the Orleans Parish submarket and in St. Bernard Parish in the Remainder submarket, where the greatest portions of residents were displaced, and consequently, the greatest recovery efforts occurred.

In the Orleans Parish submarket, the population increased during this period by an average of 30,300, or 11.3 percent, annually to 343,800, or about 70 percent of the pre-Hurricane Katrina population level. The population of St. Bernard Parish increased by an average of 5,150, or 23 percent, to 35,900, about one-half of the pre-Hurricane Katrina population level. The population growth in the Remainder submarket overall occurred at an average annual increase of 7,925 people, or 2.0 percent, to a population of 413,500. During the same period, the population of the Jefferson Parish submarket increased moderately by an average of 1,675, or 0.4 percent, annually to 432,600. During this period, net out-migration occurred in the Jefferson Parish submarket at an average pace of more than 350 people annually.

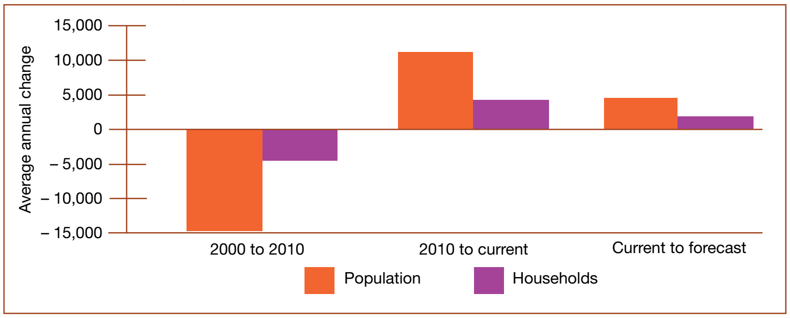
During the next 3 years, the HMA population is expected to increase by an average of 4,325, or 0.3 percent, annually, with net natural increase accounting for all of the growth in the Jefferson Parish submarket. The population growth in the Jefferson Parish submarket is expected to reflect recent trends and average an increase of 600 people, or 0.1 percent, annually. As a result of diminishing recovery efforts and fewer returning displaced residents, the population of the Orleans Parish submarket is expected to decrease by an average of 130 people, or less than 0.1 percent, annually. The population in the Remainder submarket is expected to increase by an estimated 3,800, or 0.8 percent, annually. Net in-migration is expected to account for nearly two-thirds of the population growth in the Remainder submarket during this period.

An estimated 495,400 households are currently in the HMA, representing an increase of an average of 4,075 households, or 0.9 percent, annually since 2010. The Jefferson Parish submarket comprises the greatest portion of households in the HMA, with an estimated 173,050 households, up by an average of 430 households, or 0.2 percent, annually from 2010. The number of households in the Orleans Parish submarket increased by an average of 2,075, or 1.4 percent, annually to 158,700 households, and the number of households in the Remainder submarket increased by an average of 1,575, or 1.0 percent, annually to 163,700 households.

From 2000 to 2010, the number of households in the HMA decreased by an average of 4,275, or 0.9 percent, annually, primarily because of net out-migration and housing inventory losses following Hurricane Katrina. In the Orleans Parish submarket, the number of households decreased by an average of 4,600, or 2.8 percent, annually. The number of households in the submarket was approximately 73,500 in 2006, representing a 55-percent decrease from 163,300 households a year earlier (2006 American Community Survey [ACS] data). Reflecting recovery efforts, the number of households in the submarket increased by an estimated average of 18,300 households, or 19 percent, annually from 2006 to 2010. The percentage of one-person households in the submarket increased from 31 percent in 2000 to 36 percent in 2010, partly because rebuilding efforts drew construction workers to the area (Census Bureau).

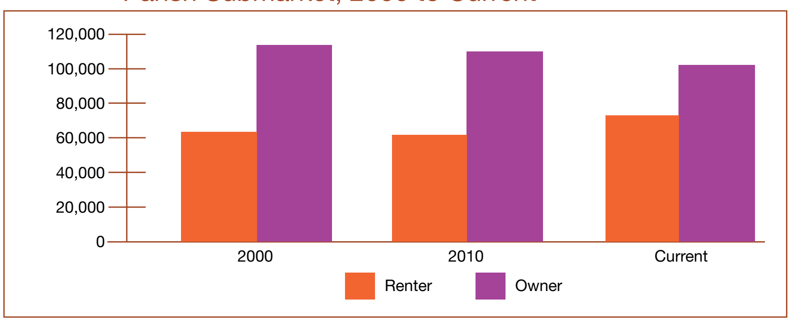
In the Jefferson Parish submarket, the number of households declined from 2000 to 2010 by an average of 660,

**Figure 5.** Population and Household Growth in the New Orleans HMA, 2000 to Forecast



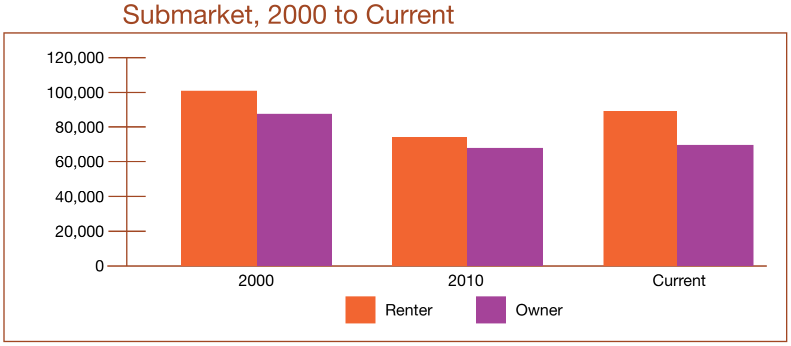

*Notes: The current date is April 1, 2018. The forecast date is April 1, 2021.*
*Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst*

**Figure 6.** Number of Households by Tenure in the Jefferson Parish Submarket, 2000 to Current




*Note: The current date is April 1, 2018.*
*Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst*

**Figure 7.** Number of Households by Tenure in the Orleans Parish Submarket, 2000 to Current




*Note: The current date is April 1, 2018.*
*Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst*

or 0.4 percent, annually. By contrast, the number of households in the Remainder submarket increased by an average of 1,000, or 0.7 percent, annually. Household growth in the Remainder submarket during this period was the result of an increase in the number of households in St. Tammany Parish, which averaged 1,825, or 2.4 percent, annually. Household growth in St. Tammany Parish during this period reflected an influx of displaced residents after Hurricane Katrina, primarily from the Orleans Parish submarket and from St. Bernard Parish, and a significant increase in appeal to homebuyers from the Orleans Parish and Jefferson Parish submarkets from 2000 through 2006.

The number of households in the HMA is expected to increase by an average of 1,600, or 0.3 percent, annually during the 3-year forecast period, with the greatest growth occurring in the Remainder submarket, where the number of households is forecast to increase by 1,500, or 0.9 percent, annually. In the Jefferson Parish submarket, the number of households is expected to increase by an average of 320, or 0.2 percent, annually. The number of households in the Orleans Parish submarket is expected to decrease by an average of 230, or 0.1 percent, annually. Figure 5 shows population and household growth in the HMA from 2000 to the forecast date, and Figures 6, 7, and 8 show the number of households by tenure in the three submarkets for 2000, 2010, and the current date.

**Figure 8.** Number of Households by Tenure in the Remainder Submarket, 2000 to Current


*Note: The current date is April 1, 2018.*
*Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst*

# Housing Market Trends

## Sales Market—Jefferson Parish Submarket

Hurricane Katrina damaged more than 56,000 owner-occupied homes in the Jefferson Parish submarket in August 2005 (Department of Homeland Security), which was about one-half of the existing owner-occupied inventory (2005 ACS data). In addition, Hurricane Isaac damaged approximately 9,500 owner-occupied homes in the submarket in August 2012. Virtually all the homes in the submarket that these disasters damaged have been repaired, in part, because of numerous government-sponsored programs, including the federally funded program, The Road Home. More than $1.4 billion has been awarded in the submarket since 2006 via The Road Home program, funded by the U.S. Department of Housing and Urban Development (HUD) and administered by the State of Louisiana, to repair and rebuild homes damaged or destroyed by Hurricanes Katrina and Isaac.

Sales housing market conditions in the submarket are currently balanced, with an estimated home sales vacancy rate of 1.8 percent, down from 2.2 percent in 2010 (Table DP-2). An estimated 1,850 vacant homes are currently available for sale, reflecting an estimated 4-month supply compared with an estimated 7-month supply in 2010, when conditions were slightly soft. A slowing net out-migration pace and an increased portion of investment-home purchases compared with the portion in the 2000s has contributed to improving sales housing market conditions since 2010. The number of homes listed for sale on the Zillow website (unsold inventory) currently totals 1,250 in the submarket, up from 1,100 a year earlier but down from 1,800 as of April 2010 (Zillow Group). As of March 2018, the share of seriously delinquent loans (loans that are 90 or more days delinquent or in foreclosure) and real estate owned (REO) properties was 3.2 percent compared with 3.9 percent of mortgages a year earlier and 8.4 percent in 2010 (CoreLogic, Inc.). By comparison, the portion of seriously delinquent loans and REO properties in the nation was 2.2 percent in March 2018 compared with a rate of 2.5 percent a year earlier and 8.4 percent in 2010. The portion of seriously delinquent loans and REO properties in the submarket averaged 2.0 percent of home loans during the early 2000s, before Hurricane Katrina made landfall. As a result of damage Hurricane Katrina caused, the percentage of seriously delinquent loans and REO properties increased to a rate of 20.2 percent by November 2005 before decreasing to a rate of 3.6 percent by the end of 2007. The portion of seriously delinquent loans and REO properties began to increase during 2008, reflecting national trends, and continued this trend until reaching a postrecession peak level of 8.6 percent in January 2011. Since early 2011, the percentage of seriously delinquent loans and REO properties has steadily decreased.

During the 12 months ending March 2018, new and existing home sales (including single-family homes, townhomes, and condominiums) in the submarket decreased by 550 homes, or 8 percent, to 6,000 homes sold compared with the number sold a year earlier, and the average price increased by $12,050, or 8 percent, to $194,800 (CoreLogic, Inc., with adjustments by the analyst). By comparison, home sales decreased 2 percent during the 12 months ending March 2017, and the average price increased 5 percent during the same period. The decline in home sales during the 12 months ending March 2018 was partly due to a significant decrease in REO sales and short sales, down by 250 and 170, or 39 percent and 72 percent, to 400 and 65 home sales compared with a year earlier, respectively. New home sales increased by only 10 homes to 220, and the average price for a new home increased by $25,800, or 11 percent, to $250,900. Regular resale home sales declined by 140, or 3 percent, to 5,300, and the regular resale average price increased $12,050, or 7 percent, to $199,900.

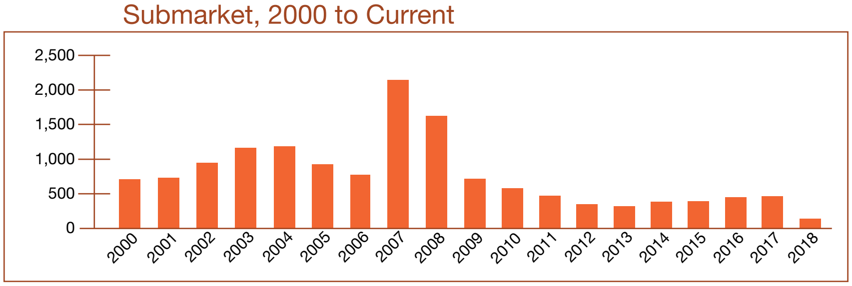
From 2001 through 2005, the number of new and existing home sales increased by an average of 660, or 11 percent, annually to 7,850 homes sold. During 2006, home sales reached 10,750 homes sold, partly because of increased demand stemming from in-migration of displaced Orleans Parish submarket and St. Bernard Parish residents. From 2007 through 2010, home sales declined by an average of 1,650, or 21 percent, annually to 4,175 homes sold, in part the result of home rebuilding efforts in the Orleans Parish submarket and in St. Bernard Parish, which resulted in competitive home sales prices for prospective homebuyers. During this period, home sales declines were entirely in new home sales and regular resale home sales, which decreased averages of 38 and 25 percent annually, respectively. REO sales and short sales, however, increased averages of 79 and 16 percent annually, respectively. Tightened mortgage lending standards leading to an increased preference to rent also contributed to the decline in new and regular resale home sales in the submarket during this period. Adjustable rate mortgages comprised only 1 percent of home loans in the submarket in 2010 compared with nearly 20 percent in 2006 (Metrostudy, A Hanley Wood Company). New and existing home sales increased from 2011 through 2015 by 500, or 10 percent, to 6,675 homes sold (CoreLogic, Inc., with adjustments by the analyst). During this period, a significant increase in investment purchases contributed to increased home sales. Absentee-owner sales, which include primarily investment or second-home purchases, comprised 34 percent of total sales in the submarket during this period, up from 23 percent from 2005 through 2010 (Metrostudy, A Hanley Wood Company). From 2011 through 2015, rental property investment companies accounted for an estimated one-third of absentee-owner home purchases.

The average price for new and existing homes in the submarket increased each year from 2000 through 2007 (CoreLogic, Inc., with adjustments by the analyst). During this period, the average price for a home increased by an average of $9,400, or 6 percent, annually to $184,800. New and existing home sale prices decreased from 2008 through 2010 by an average of $4,675, or 3 percent, annually to $161,600 as a result of decreased home sales demand during the same period. Significant increases in the number of relatively lower priced REO sales and short sales also contributed to the average home sale price decline. The average prices for new homes and regular resale homes in 2010 were $196,300 and $174,700 respectively. By comparison, the average prices for REO sales and short sales in 2010 were $102,700 and $163,400, respectively. From 2011 through 2015, the average price for new and existing homes increased by an average of $2,150, or 1 percent, annually to $172,300.

Home builders responded to an increase in new home sales demand in the submarket during the 12 months ending March 2018, resulting in increased single-family homebuilding activity, as measured by the number of homes permitted. The number of single-family homes permitted increased 9 percent to 490 homes during the 12 months ending March 2018 compared with the number of homes permitted a year earlier (preliminary data). Since 2006, new single-family home construction in the submarket was partly the result of infill in existing neighborhoods. During the 2000s, home construction peaked from 2007 through 2008, averaging 1,875 homes permitted annually, of which nearly two-thirds of homes built were the result of replacements via The Road Home program of homes destroyed by Hurricane Katrina. From 2009 through 2015, an average of about 450 single-family homes were permitted annually, of which approximately 22 percent were replacements funded by The Road Home program. New home construction was also strong from 2002 through 2005, when an average of 1,050 new homes were permitted annually. Figure 9 shows the number of single-family homes permitted in the submarket.

Construction is currently under way at the Live Oak Plantation residential community in the city of Waggaman, along the west bank of the Mississippi River and approximately 14 miles west of downtown New Orleans. Live Oak Plantation comprises 40

**Figure 9.** Single-Family Homes Permitted in the Jefferson Parish Submarket, 2000 to Current




*Notes: Includes townhomes. Current includes data through March 2018.*
*Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst*

home sites, with three- and four-bedroom homes ranging from 1,800 to 3,300 square feet, offered at prices ranging from $264,900 to $354,900. Thirty-five home sites remain available to start construction at the community. No date has been set for completing the community.

Demand is expected for 1,275 new homes in the submarket during the next 3 years (Table 1). Demand is expected to be steady throughout the 3-year forecast period. The 150 homes currently under construction will meet part of the demand during the first year. Demand is expected to be greatest for homes priced from $200,000 to $249,999. Table 4 shows estimated demand for new market-rate sales housing by price range.

**Table 4.** Estimated Demand for New Market-Rate Sales Housing in the Jefferson Parish Submarket During the Forecast Period

| Price Range ($) | | Units of Demand | Percent of Total |
|---|---|---|---|
| From | To | | |
| 110,000 | 149,999 | 90 | 7.0 |
| 150,000 | 199,999 | 260 | 20.0 |
| 200,000 | 249,999 | 510 | 40.0 |
| 250,000 | 299,999 | 130 | 10.0 |
| 300,000 | 399,999 | 130 | 10.0 |
| 400,000 | 499,999 | 100 | 8.0 |
| 500,000 | and higher | 65 | 5.0 |

*Notes: The 150 homes currently under construction in the submarket will likely satisfy some of the forecast demand. The forecast period is April 1, 2018, to April 1, 2021.*

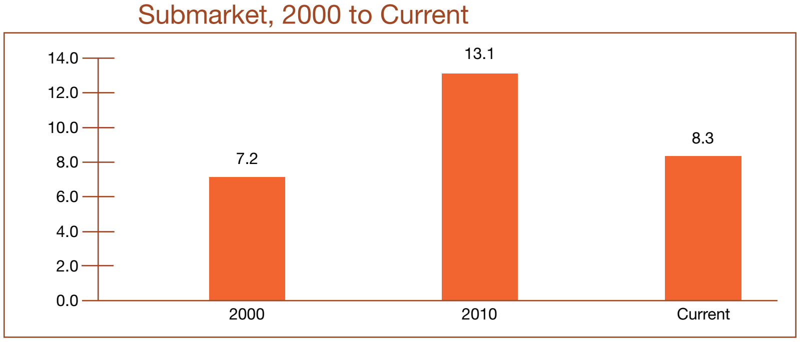
*Source: Estimates by analyst*

## Rental Market—Jefferson Parish Submarket

Rental housing market conditions in the Jefferson Parish submarket have improved since 2010 but remain soft, with a current overall rental vacancy rate estimated at 8.3 percent compared with the rate of 13.1 percent recorded in April 2010. Apartment market conditions in the submarket currently are balanced compared with soft conditions in 2010. The average apartment vacancy rate during the first quarter of 2018 was 3.9 percent, up from 3.4 percent a year earlier but down from 10.1 percent in the spring of 2010 (Reis, Inc.). The average apartment rent during the first quarter of 2018 increased 2 percent to $916 compared with a year earlier. Typical concessions currently offered include deposit deductions. By comparison, in 2010, typical concessions included an entire month's free rent with each 12-month lease. Small rental properties (one- to four-unit structures), which are estimated to comprise 60 percent of the total number of rental units in the submarket, typically have higher vacancy rates than surveyed apartments. An increased propensity to rent, stemming from tighter lending standards in the sales housing market, has contributed to decreasing rental vacancy rates in the submarket since 2010. Figure 10 shows overall rental vacancy rates in the submarket.

Rental housing market conditions have fluctuated greatly during the period since Hurricane Katrina made landfall. Within a 2-month period of the hurricane, conditions tightened significantly, with market-rate apartment occupancy levels nearing 100 percent, and rents increasing 30 percent because an estimated 37,200 occupied rental units in the submarket sustained

**Figure 10.** Rental Vacancy Rates in the Jefferson Parish Submarket, 2000 to Current



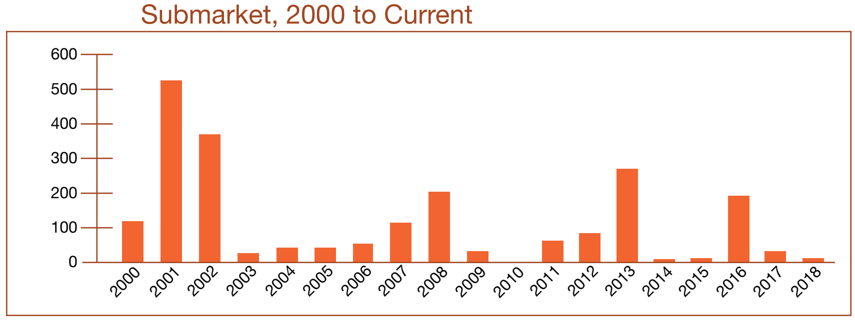

*Note: The current date is April 1, 2018.*

*Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst* damage, reducing the number of habitable units, and because of an influx of displaced residents and recovery-related workers. The construction of new rental supply, the repair of existing apartments, and small rental properties that brought units back on line contributed to an increasing vacancy rate from 2007 through the first quarter of 2010. During this period, the apartment vacancy rate steadily increased from an average rate of 3.7 percent in 2007 to a rate of 10.1 percent by the first quarter of 2010. As of the current date, most of the rental units damaged in the submarket by Hurricanes Katrina and Isaac have been repaired and are back on line.

Multifamily construction, as measured by the number of multifamily units permitted, totaled nearly 40 units in the submarket during the 12 months ending March 2018 compared with 160 units a year earlier. Since 2000, only approximately 2,150 multifamily units have been permitted, of which 150 were for-sale condominium units. During the 2000s, multifamily construction activity peaked from 2001 through 2002, when an average of 440 units were permitted annually. From 2003 through 2006, multifamily construction activity averaged only 40 units permitted annually, before increasing to an average of 160 units annually from 2007 through 2008. During 2009, multifamily construction totaled only about 30 units permitted, and from 2010 through 2012, multifamily construction activity remained low, averaging 45 units permitted annually during the period (Figure 11). During 2013, multifamily construction activity increased significantly to 266 units. In the city of River Ridge, 10 miles west of downtown New Orleans, construction on the 264-unit Bella Ridge apartments, which began in 2013, was completed in the summer of 2015. Bella Ridge represents the largest number of market-rate units that have been built at an apartment development in the submarket in a given year since 2002. Multifamily construction in the submarket averaged only 10 units permitted annually during 2014 through 2015.

Demand for 390 new market-rate rental units is expected in the submarket during the 3-year forecast period (Table 1). No units are currently under construction in the submarket. Demand is expected to be strongest for one-bedroom units, with monthly rents ranging from $827 to $1,226, and for two-bedroom units, with monthly rents ranging from $996 to $1,395. Table 5 shows estimated demand for new market-rate rental housing in the submarket, categorized by rent level and number of bedrooms.

**Figure 11.** Multifamily Units Permitted in the Jefferson Parish Submarket, 2000 to Current




*Notes: Includes townhomes. Current includes data through March 2018.*

*Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst*

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the Jefferson Parish Submarket During the Forecast Period

| Zero Bedrooms | | One Bedroom | | Two Bedrooms | | Three or More Bedrooms | |
|---|---|---|---|---|---|---|---|
| Monthly Rent ($) | Units of Demand | Monthly Rent ($) | Units of Demand | Monthly Rent ($) | Units of Demand | Monthly Rent ($) | Units of Demand |
| 708 to 907 | 10 | 827 to 1,026 | 75 | 996 to 1,195 | 65 | 1,277 or more | 15 |
| 908 or more | 10 | 1,027 to 1,226 | 75 | 1,196 to 1,395 | 65 | | |
| | | 1,227 or more | 35 | 1,396 or more | 35 | | |
| Total | 20 | Total | 190 | Total | 170 | Total | 15 |

*Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The forecast period is April 1, 2018, to April 1, 2021.*

*Source: Estimates by analyst*

## Sales Market—Orleans Parish Submarket

The sales housing market in the Orleans Parish submarket has not entirely recovered from the effects of Hurricane Katrina, although a significant improvement in conditions has occurred. The hurricane damaged more than 66,600 owner-occupied homes in the submarket, which was about 81 percent of the existing owner-occupied inventory (2005 ACS data), of which more than 44,000 homes were severely damaged or completely destroyed. Homeowners have either repaired or rebuilt an estimated 47,000 homes using funds from The Road Home program.

Many homes in the submarket remain uninhabitable and abandoned, despite the demolition of more than 31,000 homes since 2005, 8,500 of which have been demolished since 2010. Efforts by the city of New Orleans and the New Orleans Redevelopment Authority to mitigate blight in the submarket are ongoing via numerous homebuyer incentive and neighborhood redevelopment programs. Since October 2010, more than 5,000 units have been demolished via the New Orleans Redevelopment Authority. Among the numerous hazards and health risks associated with blight in the submarket are those related to mold. Of homes sampled in the submarket in March 2006, 44 percent showed visible signs of mold (National Institutes of Health report, 2008).

Sales market conditions in the submarket currently are balanced compared with soft conditions in 2010. As of April 1, 2018, the sales vacancy rate was an estimated 2.0 percent (Table DP-3), significantly improved compared with a rate of 4.6 percent in 2010. The number of vacant homes currently available for sale is estimated at 1,425 homes, reflecting an estimated 3-month supply compared with an estimated 9-month supply in 2010. Strong population growth, particularly during the early 2010s, contributed to improved sales market conditions since 2010. A significant increase in investment-home purchases compared with the 2000s also contributed to improved sales market conditions. Unsold inventory in the submarket currently totals 1,575, up from 1,300 a year earlier but down slightly from 1,600 as of April 2010 (Zillow Group). As of March 2018, the share of seriously delinquent loans and REO properties was 3.1 percent compared with 3.7 percent of mortgages a year earlier and 10.1 percent in 2010 (CoreLogic, Inc.). The portion of seriously delinquent loans and REO properties averaged 4.0 percent of home loans during the early 2000s, before Hurricane Katrina made landfall. The percentage of seriously delinquent loans and REO properties increased to a rate of 42.6 percent by December 2005 as a result of damage from Hurricane Katrina. The portion of seriously delinquent loans and REO properties began to decrease in 2006, reaching a rate of 6.4 percent by June 2008. Reflecting national trends, the portion of seriously delinquent loans and REO properties began to increase during the latter half of 2008. This trend continued until reaching 10.3 percent in January 2010, a postrecession peak. The percentage of seriously delinquent loans and REO properties has steadily declined since early 2010.

During the 12-month period ending March 2018, new and existing home sales (including single-family homes, townhomes, and condominiums) decreased by 480 homes, or 8 percent, to 5,475 homes compared with the number sold a year earlier (CoreLogic, Inc., with adjustments by the analyst). The average home price increased by $1,525, or 1 percent, to $262,100 during the same period. Since December 2007, the Home Price Index for single-family detached homes in the submarket has increased an average of nearly 5 percent annually (CoreLogic, Inc.). By comparison, the national Home Price Index increased an average of nearly 2 percent annually during the same period. Additional home rebuilding costs associated with meeting new government flood-elevation standards have contributed to increased home prices in the submarket since 2007. The number of new home sales in the submarket declined during the 12 months ending March 2018 by 100, or 31 percent, to 220 homes. During the same period, the average price for new homes increased by $15,750, or 5 percent, to $331,800. Regular resale home sales declined by 230, or 4 percent, to 5,050, and the average price declined by $1,925, or 1 percent, to $264,400. REO sales and short sales decreased significantly, declining by 140 and 15, or 42 percent and 55 percent, to 200 and 15 home sales, respectively. Absentee-owner sales, which include primarily investment or second-home purchases, accounted for more than one-half of new and existing home sales during the 12 months ending March 2018 compared with 28 percent nationally (Metrostudy, A Hanley Wood Company). During the 2000s, absentee-owner sales in the submarket accounted for less than an estimated 1 percent of all home sales in the submarket.

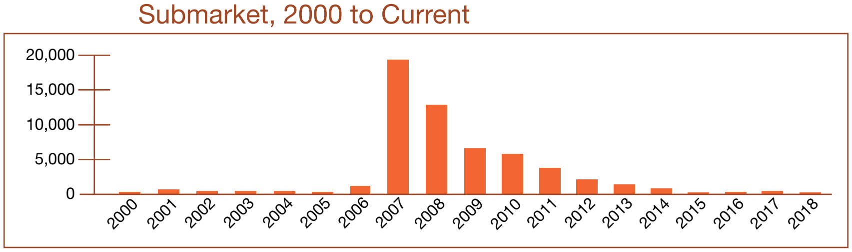
From 2000 through July 2005, new and existing home sales in the submarket averaged an estimated 3,100 homes sold annually (CoreLogic, Inc., with adjustments by the analyst). During the 12 months ending August 2006, approximately 2,400 new and existing homes sold. The relatively fewer home sales during this period reflected significant hurricane damage to existing homes and infrastructure. During 2007, home sales increased to 7,450 homes sold as a result of recovery efforts and the subsequent return of displaced residents. Of the total number of homes sold during this period, only 50 were new construction sales. From 2008 through 2012, home sales declined by an average of 650, or 11 percent, annually to 4,250 homes sold. Factors contributing to the decline in home sales during this period include tightened mortgage lending standards and, consequently, an increased preference among residents to rent. A decrease in the number of jobs from mid-2009 through

2010 and moderating population and household growth also contributed to a decrease in home sales during this period. New home sales accounted for less than 2 percent of total sales from 2008 through 2012, and new and existing home prices increased by an average of $9,750, or 6 percent, annually to $199,800. From 2013 through 2015, an expanding economy in the HMA contributed to home sales increasing in the submarket by an average of 870 homes, or 17 percent, to 6,850 homes sold. The average price for a home increased an average of $14,200, or 7 percent, annually to $241,100 during this period.

New construction of single-family homes, as measured by the number of single-family homes permitted, increased in the submarket during the 12 months ending March 2018 from a year earlier. In the submarket, 390 single-family homes were permitted compared with 340 permitted a year earlier (preliminary data; estimates by the analyst). Most of single-family home construction during this period was infill construction in existing neighborhoods. From 2000 through 2004, a period not impacted by natural disasters, an average of 470 single-family homes was permitted annually. Single-family home construction peaked in the submarket from 2007 through 2008, averaging 16,150 annually as a result of substantial home rebuilding efforts. During this period, 94 percent of the single-family home construction was associated with rebuilding homes destroyed by Hurricane Katrina. Single-family homebuilding steadily declined from 2008 through 2015 to 210 homes permitted, as recovery-related homebuilding diminished each year during this period. Figure 12 shows the number of single-family homes permitted in the submarket from 2000 to 2018.

Construction is under way at St. John Trace, a single-family residential community in the Gentilly neighborhood, 3 miles north of the central business district (CBD). Construction on the 13-home community began in the summer of 2016 and is expected to be complete by the end of 2018. Nine three- and four-bedroom homes, ranging in size from 2,100 to 2,200 square feet, have sold at St. John Trace for an average price of $475,700. Several condominium developments are also under construction in the CBD, including The Standard at South Market, expected to be completed in 2018. The 15-story development will include 89 one-, two-, and three-bedroom units, ranging in size from 947 to 1,859 square feet. Units are offered at prices ranging from $575,000 to $1.41 million. Construction is expected to begin in 2018 on 1100 Annunciation, a 16-story, 87-unit condominium development also in the CBD. One-, two-, and three-bedroom condominiums, ranging in size from 780 to 3,000 square feet, are offered at preconstruction prices ranging from $439,000 to $2.30 million, and monthly condominium fees are expected to range from $391 to $1,515. No completion date has been set for the development.

**Figure 12.** Single-Family Homes Permitted in the Orleans Parish Submarket, 2000 to Current




*Notes: Includes townhomes. Current includes data through March 2018.*
*Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst*

**Table 6.** Estimated Demand for New Market-Rate Sales Housing in the Orleans Parish Submarket During the Forecast Period

| Price Range ($) | | Units of Demand | Percent of Total |
|---|---|---|---|
| From | To | | |
| 80,000 | 149,999 | 150 | 9.0 |
| 150,000 | 199,999 | 260 | 16.0 |
| 200,000 | 299,999 | 460 | 28.0 |
| 300,000 | 399,999 | 300 | 18.0 |
| 400,000 | 599,999 | 210 | 13.0 |
| 600,000 | 799,999 | 180 | 11.0 |
| 800,000 | and higher | 80 | 5.0 |

*Notes: The 340 homes currently under construction in the submarket will likely satisfy some of the forecast demand. The forecast period is April 1, 2018, to April 1, 2021.*

*Source: Estimates by analyst*

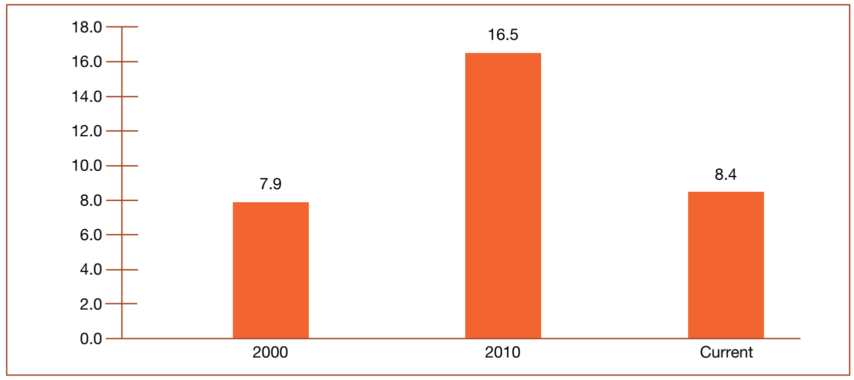
Demand is expected for 1,650 new homes during the next 3 years (Table 1). The 340 homes currently under construction and 230 units planned will meet part of the demand during the 3-year forecast period. Demand is expected to be greatest for homes priced from $200,000 to $299,999. Table 6 shows estimated demand for new market-rate sales housing by price range.

## Rental Market—Orleans Parish Submarket

As a result of Hurricane Katrina, an estimated 68,000 occupied rental units, or about two-thirds of the total number of rental inventory, were damaged in the Orleans Parish submarket. Of those units damaged, more than one-half were destroyed. Because of the shock in the rental supply, occupancy rates neared 100 percent, and rents spiked more than 60 percent by 2006. Since that time, significant efforts have been made toward repairing or replacing market-rate and subsidized rental housing by way of both private funds and several government-sponsored programs. HUD's Economic and Market Analysis Division (EMAD) research indicates that almost all pre-Hurricane Katrina rental inventory, including small rental properties, have reentered the rental housing market, because the properties were either repaired or rebuilt. As of April 1, 2018, an estimated 22,000 rental apartment units had been built or rebuilt through government-sponsored programs, and nearly one-half of the total units built are intended for tenants who meet certain income limits. In addition, approximately 6,200 units in small rental properties were repaired or rebuilt via the Small Rental Property Program (SRPP), which is affiliated with The Road Home program, and the remainder was repaired through private resources, including insurance. Despite the resulting increased supply, rents have remained high, in part, because of substantial increases in construction material costs in the submarket and increased expenses to finance, maintain, and insure properties. The average cost to insure rental apartments in the city of New Orleans is more than $850 per unit annually, or more than six times pre-Hurricane Katrina rates (National Apartment Association).

Rental housing market conditions in the submarket have improved significantly since 2010 but currently remain soft. The overall rental vacancy rate decreased from a rate of 16.5 percent in April 2010 to a current estimated rate of 8.4 percent. Employment and population growth, particularly during the early 2010s, and increased preferences to rent have contributed to the decrease in the rental vacancy rate since 2010. Figure 13 shows rental vacancy rates in the submarket. Apartment market conditions in the submarket have also improved since

**Figure 13.** Rental Vacancy Rates in the Orleans Parish Submarket, 2000 to Current




*Note: The current date is April 1, 2018.*
*Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst*

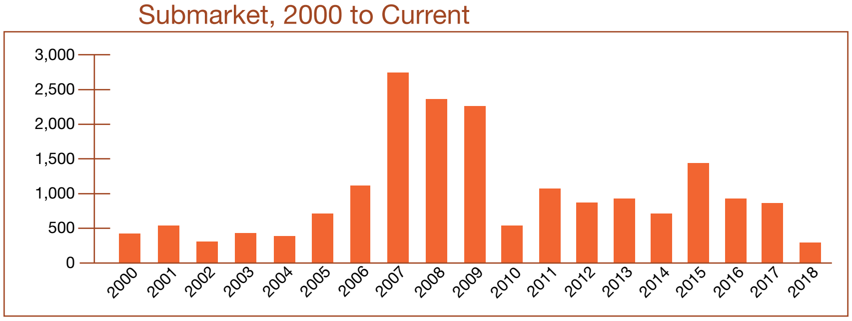
2010 but are currently soft. The average vacancy rate for apartments, excluding units in lease up, was 7.7 percent during the first quarter of 2018, unchanged from a year earlier but down from 13.5 percent in the first quarter of 2010 (Reis, Inc.). Small rental properties, which account for more than an estimated two-thirds of the total number of rental units in the submarket, typically maintain higher vacancy rates than surveyed apartments. The average apartment vacancy rate in the submarket was 6.5 percent from 2011 through 2015. Three apartment communities, with a combined 290 units, are currently in lease up, with an average vacancy rate of 33.0 percent. The average apartment rent during the first quarter of 2018 increased 12 percent to $1,387 from a year earlier. The current average apartment rent in the submarket represents a 74-percent increase, or an average of more than 4 percent annually, since 2004. By comparison, the average apartment rent increased 50 percent, or less than 3 percent annually, since 2004 nationally.

During the first quarter of 2018, an increase in stabilized apartment supply by nearly 500 contributed to the increase in the average apartment rent in the submarket, entirely in or near the CBD, where the average rent is significantly greater compared with the submarket overall. Since 2014, 1,700 market-rate apartment units have been completed in or near the CBD compared with no units outside the CBD during the same period. By comparison, from 2000 through 2013, only 35 percent of market-rate apartment units completed in the submarket were in or near the CBD. Relatively higher rents in the CBD reflect construction and insurance costs and proximity to employment centers and entertainment venues. The topography of the CBD (the average elevation is 3.0 feet above sea level compared with 1.5 feet below sea level for the parish overall) also contributed toward higher rents. The average apartment rent in the CBD was $2,180 during the first quarter of 2018, or 57 percent greater than the average apartment rent in the submarket overall, representing more than a 13-percent increase in the average rent in the CBD compared with a year earlier. The average "same-store" apartment rent, which excludes new stabilized apartment units added during the current four quarters, increased less than 1 percent in the CBD, however. The average apartment vacancy rate in the CBD during the first quarter of

2018 was 12.5 percent compared with an average of 12.1 percent the previous two periods. By comparison, the average apartment vacancy rate in the CBD from 2011 through 2014 was 3.6 percent. In response to recent increases in vacancy rates of apartments, particularly in the CBD, combined with significant growth in the tourism industry in the submarket, many apartment communities in the CBD offer units for short-term rental (STR), such as those on Airbnb. The submarket currently has approximately 4,500 STR units, representing an increase of 32 percent compared with a year ago (City of New Orleans data). In the CBD, 460 STR units exist, of which 340, or 74 percent, were previously market-rate apartment units. The city of New Orleans recently placed restrictions on STR licenses, which may result in a portion of the current STR units returning to the rental market once existing licenses expire.

Multifamily construction, as measured by the number of multifamily units permitted, totaled 730 units in the submarket during the 12 months ending March 2018, down from 760 units permitted during the same period a year earlier (preliminary data, with adjustments by the analyst). From 2000 through 2005, an average of 460 multifamily units were permitted annually. By comparison, an average of 2,100 multifamily units were permitted annually from 2006 through 2009, partly as a result of government-sponsored apartment construction opportunities. Reflecting diminishing government-sponsored construction activity, multifamily construction slowed to an average of 820 units annually from 2010 through 2014. Multifamily construction totaled approximately 1,425 units during 2015, primarily in the CBD, as developers responded to relatively tight apartment market conditions in the CBD during the previous 3 years. Approximately 1,500 apartment units are under construction in the submarket. The Canal Crossing apartment community in the CBD is currently under construction. Slated for completion in 2019, the nine-story, $85 million development is expected to include 330 apartment units. Rents at Canal Crossing have not yet been made available. The construction of several mixed-income communities is also currently under way in the submarket, including the 2 Oaks Apartments, a mixed-income development expected to be complete in 2018. 2 Oaks Apartments, 16 miles northeast of the CBD, is expected to include 12 market-rate units and 388 income-restricted units. The development is being constructed on the grounds of a former development with a similar number of units that Hurricane Katrina destroyed in August 2005. Since 2000, approximately 1,000 condominium units have been constructed, representing about 5 percent of all multifamily units permitted during the period. Figure 14 shows the number of multifamily units permitted in the submarket from 2000 to 2018.

**Figure 14.** Multifamily Units Permitted in the Orleans Parish Submarket, 2000 to Current




*Notes: Includes townhomes. Current includes data through March 2018.*
*Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst*

Conversions of several warehouse, office, and hotel buildings into apartments have recently been completed or are under way in the CBD. The conversion is under way of The Garage, a former five-story automobile dealership, into 51 apartment units and 11 for-sale condominium units. Parking at the $49 million development will be available to residents on the same floor as their respective units by way of a "car elevator." Also in the CBD, the conversion of the former Jung Hotel into The Jung Hotel & Residences was completed in early 2018. The 19-story, $140 million development includes 113 apartment units and 207 hotel rooms. One- and two-bedroom apartment units are offered at rents ranging from $3,900 to $5,900 per month. Amenities to residents include concierge and valet services, rooftop swimming pool, and access to chauffeured luxury automobile services.

During the 3-year forecast period, the existing inventory of vacant available units for rent and the 1,500 units under construction and 640 units planned are expected to satisfy all the demand (Table 1). To prevent prolonged soft market conditions, no additional units should be constructed during the forecast period.

## Sales Market—Remainder Submarket

The sales housing market in the Remainder submarket has not entirely recovered from the effects of Hurricanes Katrina and Isaac. Hurricane Katrina damaged more than 58,700 owner-occupied homes, or more than one-half of the existing owner-occupied inventory, of which 14,000 homes were either severely damaged or completely destroyed. Plaquemines and St. Bernard Parishes incurred losses of 2,900 and 9,800 homes, or 41 and 52 percent of owner-occupied units, respectively. A relatively smaller portion of homes sustained severe damage in St. Tammany Parish—approximately 1,200 homes, or 2 percent of owner-occupied homes. In 2012, Hurricane Isaac damaged an additional 15,500 owner-occupied homes in the submarket, 1,800 of which were severely damaged or destroyed. The greatest number of severely damaged owner-occupied homes occurred in St. John the Baptist Parish, with 1,200 homes, or 10 percent of owner-occupied units impacted. Approximately 27,000 owner-occupied homes have been rebuilt or repaired in the submarket since 2006, using funds provided by The Road Home program, and most of the remaining damaged homes have been repaired through private funding. The exception is in St. Bernard Parish, where the number of occupied single-family homes remains much less than pre-Hurricane Katrina levels, and only about two-thirds the number of the homes lost or damaged have been replaced or repaired, in part because many displaced homeowners opted not to return to the parish to rebuild. Efforts to mitigate blight in St. Bernard Parish have included more than 9,000 government-sponsored demolitions. Approximately 2,500 of these cleared lots were sold via the Lot Next Door program, which provided adjacent property owners the opportunity to purchase lots for uses other than new home construction. Approximately 1,000 cleared lots are estimated to be available for auction in the parish.

The sales housing market in the submarket is currently balanced, unchanged from 2010. As of April 1, 2018, the sales vacancy rate was an estimated 1.5 percent, down from 2.4 percent in 2010. The number of vacant homes currently available for sale is an estimated 1,875 homes, reflecting an estimated 5-month supply compared with an estimated 6-month supply in 2010. Unsold inventory in the submarket currently totals 2,025, unchanged from a year earlier but down from 3,225 as of April 2010 (Zillow Group). As of March 2018, the share of seriously delinquent loans and REO properties was 2.9 percent compared with 3.4 percent of mortgages a year earlier and 7.5 percent in 2010 (CoreLogic, Inc.). The portion of seriously delinquent loans and REO properties averaged 1.9 percent of home loans during the early 2000s, before Hurricane Katrina made landfall. As a result of damage from Hurricane Katrina, the percentage of seriously delinquent loans and REO properties increased to a rate of 19.0 percent by December 2005 before decreasing to a rate of 3.1 percent by August 2007. The portion of seriously delinquent loans and REO properties began to increase by late 2007, reflecting the national economic downturn, and continued this trend until reaching a postrecession peak level of 7.8 percent in February 2010. Since March 2010, the percentage of seriously delinquent loans and REO properties has steadily decreased.

During the 12-month period ending March 2018, new and regular resale single-family home sales (single-family detached and townhomes) increased by 50 homes, or 1 percent, to 5,450 homes sold (Gulf South Real Estate Information Network, Inc.), and the average home price increased by $13,000, or 6 percent, to $238,700 during the same period. By comparison, single-family home sales increased 2 percent during the 12 months ending March 2017, and the average price increased 3 percent. Single-family home sales activity in St. Tammany Parish accounted for three-fourths of single-family home sales in the submarket during the 12 months ending March 2018. Single-family home sales increased by 10, or less than 1 percent, in St. Tammany Parish to 4,075, and the average price increased by $14,950, or 6 percent, to $255,300. Home sales in the remainder of the submarket increased by 40, or 3 percent, to 1,375, and the average price increased by $8,300, or 5 percent, to $190,100. Condominium home sales have historically accounted for about 4 percent of total home sales in the submarket. During the 12 months ending March 2018, new and existing condominium home sales increased by 30, or 17 percent, to 210 units compared with a year earlier, and the average price for a condominium increased by $19,000, or 14 percent, to $152,800 (Metrostudy, A Hanley Wood Company).

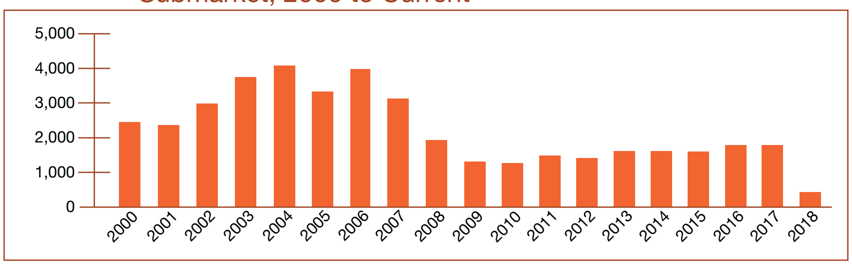
Slightly tight sales market conditions prevailed in the submarket during the first 5 years of the 2000s, in part because of the submarket's increased suburban appeal drawing homebuyers from the Jefferson Parish and Orleans Parish submarkets. From 2001 through 2005, new and existing home sales increased by an average of 1,750 homes, or 31 percent, annually to 11,850 homes sold, and the average sales price for homes increased by an average of $8,900, or 6 percent, annually to $174,100 (CoreLogic, Inc.). Relatively relaxed mortgage lending standards, combined with population growth, also contributed to increased home sales during this period. Approximately 80 percent of homes sold from 2000 through 2005 were in St. Tammany Parish. Home sales in the St. Bernard and Plaquemines Parishes accounted for a combined 12 percent of home sales, and home sales in the St. Charles, St. James, and St. John the Baptist Parishes comprised a combined 8 percent of total home sales. During 2006, home sales in the submarket continued at similar pace to the previous 5 years, increasing by 3,475, or 29 percent, to a peak level of 15,350, and the average sale price for a home increased by $4,900, or 3 percent, to $178,900. Increased demand stemming from in-migration of displaced Orleans Parish submarket residents contributed to increased home sales during 2006. The impact of Hurricane Katrina on home sales activity was not as great in the Remainder submarket as in the Orleans Parish submarket. St. Tammany, St. Charles, St. James, and St. John the Baptist Parishes historically accounted for a combined 88 percent of total home sales in the submarket, but the portion of homes severely damaged by Hurricane Katrina in these parishes comprised only a combined 9 percent of the total number of homes that were severely damaged in the submarket. Although Hurricane Katrina caused significant damage in St. Bernard and Plaquemines Parishes, where a combined 91 percent of severe damage to homes in the submarket occurred, these parishes historically accounted for only a combined 12 percent of total home sales in the submarket.

Home sales in the submarket declined from 2007 through 2010 by an average of 2,500 homes, or 23 percent, annually to 5,300 homes sold. During the same period, the average home sales price declined by an average of $790, or less than 1 percent, annually to $175,800. Declines in sales and the average price were the result of steadily worsening sales market conditions because of a combination of factors, including an increased propensity to rent, tightening mortgage lending standards, and moderating job growth. Increased competition from the Orleans Parish submarket sales market also contributed to the decreasing number of sales in the submarket, especially in 2007 because construction activities were focused on rebuilding efforts. From 2011 through 2015, home sales increased by an average of 420 homes, or 7 percent, to 7,400 homes sold, mostly because of the expanding economy in the New Orleans HMA during the same period. The average price for a home increased an average of $4,675, or 3 percent, annually to $199,200 during this period.

New construction of single-family homes, as measured by the number of single-family homes permitted, totaled an estimated 1,800 in the submarket during the 12 months ending March 2018, unchanged compared with a year earlier (preliminary data, with adjustments by the analyst). Single-family homebuilding increased 9 percent during the 12 months ending March 2017 by comparison. Single-family homebuilding activity in the submarket was strongest from 2003 through 2006, when an average of 3,775 single-family homes were permitted annually. Homebuilding activity decreased from 2007 through 2010 by an average of 670 homes, or 25 percent, annually to 1,275 homes permitted, reflecting decreased home sales during the same period. Single-family home construction increased from 2011 through 2015 by an average of 65 homes, or 5 percent, annually to 1,600 homes permitted, as builders responded to increased home sales. Figure 15 shows the number of single-family homes permitted in the submarket from 2000 to 2018.

Currently, an estimated 490 single-family homes are under construction in the submarket, primarily in St. Tammany Parish. Construction is under way at numerous single-family residential communities, including the Lakeshore Villages residential community in the city of Slidell in St. Tammany Parish, approximately 30 miles northeast of the city of New Orleans. The development, on the north shore of Lake Pontchartrain and adjacent to Big Branch Marsh National Wildlife Refuge, will comprise 2,500 homes when all phases are complete. Since the summer of 2016, when the community opened, 100 new three-, four-, and five-bedroom homes, ranging in size from 1,500 to 3,500 square feet, have sold at Lakeshore Villages for an average price of $221,600, and the St. Tammany Parish Planning Commission recently approved 282 additional lots for development at the community. No completion date has been set for the community. Construction is also under way at La Maison du Lac, a gated single-family residential community in the city of Covington in St. Tammany Parish, about 40 miles north of the city of New Orleans. La Maison du Lac surrounds the 26-acre Lake Charmant. Approximately 109 three- and four-bedroom homes, ranging from 1,800 to 2,600 square feet, have sold since 2009 at an average price of $371,000. Approximately 160 home sites remain available at La Maison du Lac. No date has been set for completing the community.

**Figure 15.** Single-Family Homes Permitted in the Remainder Submarket, 2000 to Current




*Notes: Includes townhomes. Current includes data through March 2018.*
*Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst*

**Table 7.** Estimated Demand for New Market-Rate Sales Housing in the Remainder Submarket During the Forecast Period

| Price Range ($) | | Units of Demand | Percent of Total |
|---|---|---|---|
| From | To | | |
| 130,000 | 199,999 | 1,350 | 30.0 |
| 200,000 | 299,999 | 2,025 | 45.0 |
| 300,000 | 399,999 | 680 | 15.0 |
| 400,000 | 499,999 | 270 | 6.0 |
| 500,000 | 599,999 | 140 | 3.0 |
| 600,000 | and higher | 45 | 1.0 |

*Notes: The 490 homes currently under construction in the submarket will likely satisfy some of the forecast demand. The forecast period is April 1, 2018, to April 1, 2021.*
*Source: Estimates by analyst*

During the 3-year forecast period, demand is expected for an estimated 4,525 new homes (Table 1). Demand is expected to be greatest for homes priced between $200,000 and $299,999. Table 7 shows the estimated demand for new homes by price range. The 490 homes currently under construction in the submarket will satisfy some of the demand. Table DP-4 at the end of this report presents the data profile for the submarket.

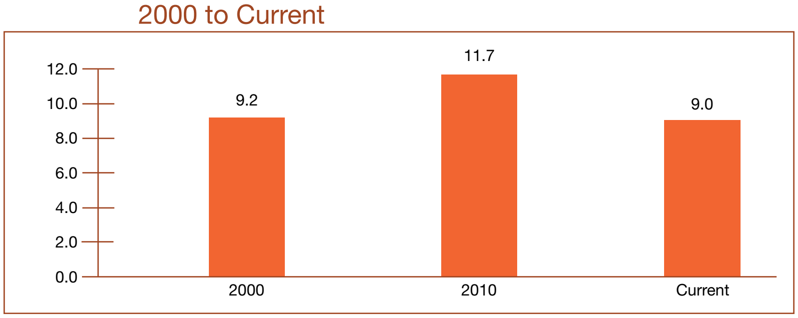
## Rental Market—Remainder Submarket

As a result of Hurricane Katrina, an estimated 17,500 occupied rental units were damaged in the Remainder submarket, representing nearly two-thirds of the renter-occupied inventory. St. Tammany, St. Bernard, and Plaquemines Parishes sustained damage to 9,200, 6,200, and 2,100 occupied rental units respectively, accounting for a combined 73 percent of the renter-occupied inventory in the three parishes. Of those units damaged in the submarket, approximately 5,600 units were severely damaged or destroyed. Hurricane Isaac damaged an additional 3,450 renter-occupied units, 1,550 of which sustained significant damage or were destroyed. In St. John the Baptist Parish, approximately 1,400 renter-occupied housing units (consisting nearly entirely of single-family rental units) sustained damage from Hurricane Isaac. More than 800 renter-occupied homes, or one-fourth of the total number of renter-occupied homes in the parish, were severely damaged. EMAD research indicates that nearly all the damaged rental inventory, including small rental properties, have reentered the rental housing market, including approximately 1,000 units in small rental properties which were repaired or rebuilt via SRPP.

Rental housing market conditions in the submarket are currently soft, with an overall rental vacancy rate estimated at 9.0 percent, down from 11.7 percent in April 2010. Renters comprise an estimated 24 percent of total households in the submarket, with more than one-half of these households residing in St. Tammany Parish, the most populous of the six parishes in the submarket. Units in small rental properties comprise an estimated 69 percent of the rental inventory in the submarket. Small rental property units account for approximately 63 percent of the rental inventory in St. Tammany Parish and a combined 75 percent of rental units in the remaining five parishes of the submarket. Figure 16 shows rental vacancy rates in the submarket.

Apartment market conditions in St. Tammany Parish, the only parish in the submarket with available apartment data, are currently slightly soft. The apartment vacancy rate in St. Tammany Parish, excluding units in lease up, was 7.2 percent in the first quarter of 2018, up from 3.6 percent a year earlier but down from 8.4 percent in 2009 (Reis, Inc.). An increase in apartment construction activity in St. Tammany Parish and a slowing economy in the New Orleans HMA contributed to the increase in the average apartment vacancy rate during the first quarter of 2018 compared with a year earlier. Three apartment communities, with a combined 800 units, are currently in lease up in St. Tammany Parish, with an average vacancy rate of 52.0 percent. The average rent for an apartment in St. Tammany Parish during the first quarter of 2018 was $1,080, up 2 percent from a year earlier. Similar to rents in the Jefferson Parish and Orleans Parish submarkets, apartment rents in St. Tammany Parish increased significantly from pre-Hurricane Katrina levels. The average rent in St. Tammany Parish during the first quarter of 2018 represented an increase of 42 percent compared with the average rent of $760 during the spring of 2005 (Greater New Orleans Multi-Family Report, spring 2005). Most of this increase occurred during the 2 years directly following Hurricane Katrina.

**Figure 16.** Rental Vacancy Rates in the Remainder Submarket, 2000 to Current




*Note: The current date is April 1, 2018.*

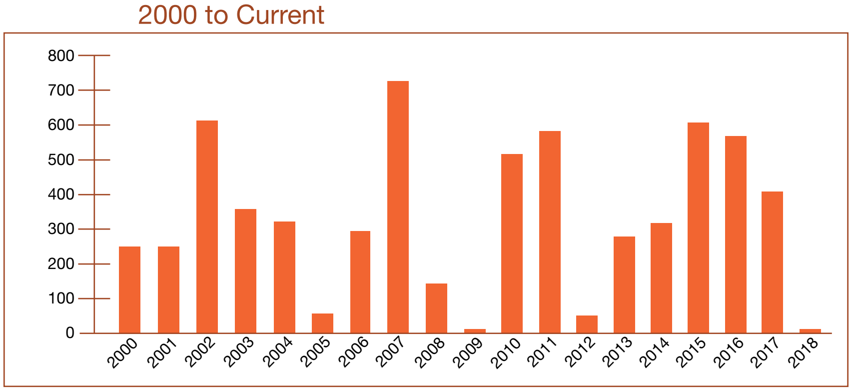
*Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst*

From the spring of 2005 to the spring of 2007, the average apartment rent in the submarket increased an average of 13 percent annually to $963. Apartment market conditions have fluctuated significantly since the spring of 2005. The apartment rental vacancy rate declined from 14.0 percent in the spring of 2005 to 4.0 percent a year later because of increased demand from an influx of displaced residents and decreased supply stemming from Hurricane Katrina damage. Rates remained low in St. Tammany Parish through 2007 but climbed to 8.4 percent by the end of 2009, in part because of increased supply stemming from new apartment construction and from increased competition from the Orleans Parish submarket as repaired rental units came on line. Reflecting job growth in the HMA and population growth in the submarket, the apartment vacancy rate decreased to 2.5 percent by the end of 2015. Increased apartment construction activity in St. Tammany Parish and a slight decline in jobs in the HMA during 2016 contributed to the apartment vacancy rate increasing slightly to a rate of 3.6 percent by the end of 2016.

Multifamily construction, as measured by the number of multifamily units permitted, decreased to 400 units in the submarket during the 12 months ending March 2018 compared with the 600 units permitted a year earlier (preliminary data, with adjustments by the analyst). Multifamily permitting peaked from 2015 through 2016, when an average of 590 units were permitted annually. Multifamily construction since 2000 has consisted mostly of renter units in St. Tammany Parish. Currently, an estimated 350 multifamily units are under construction in the submarket. Construction is currently under way at the 132-unit Lofts at Canterbury apartment community in Slidell, which is expected to be complete in 2019. Rent information has not yet been released for the development. Construction is expected to be completed in the summer of 2018 at The Green at Northpark, a 218-unit apartment community in Covington. One- and two-bedroom units are offered at The Green at Northpark with rents ranging from $915 to $1,510. Amenities at The Green of Northpark will include a resident library and electric car charging ports. Figure 17 shows the number of multifamily units permitted in the submarket from 2000 to 2018.

Demand for 710 new market-rate rental units is expected during the 3-year forecast period (Table 1). Demand is expected to be strongest for two-bedroom units, with monthly rents ranging from $1,281 to $1,680. The 350 units currently under construction will meet a portion of demand during the forecast period. Table 8 shows estimated demand for new market-rate rental housing in the submarket, categorized by rent level and number of bedrooms.

**Figure 17.** Multifamily Units Permitted in the Remainder Submarket, 2000 to Current




*Notes: Includes townhomes. Current includes data through March 2018.*

*Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst*

**Table 8.** Estimated Demand for New Market-Rate Rental Housing in the Remainder Submarket During the Forecast Period

| Zero Bedrooms | | One Bedroom | | Two Bedrooms | | Three or More Bedrooms | |
|---|---|---|---|---|---|---|---|
| Monthly Rent ($) | Units of Demand | Monthly Rent ($) | Units of Demand | Monthly Rent ($) | Units of Demand | Monthly Rent ($) | Units of Demand |
| 1,035 or more | 15 | 915 to 1,114 | 120 | 1,281 to 1,480 | 130 | 1,428 to 1,627 | 30 |
| | | 1,115 to 1,314 | 120 | 1,481 to 1,680 | 130 | 1,628 to 1,827 | 30 |
| | | 1,315 or more | 60 | 1,681 or more | 65 | 1,828 or more | 15 |
| Total | 15 | Total | 310 | Total | 320 | Total | 70 |

*Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 350 units currently under construction will likely satisfy some of the estimated demand. The forecast period is April 1, 2018, to April 1, 2021.*

*Source: Estimates by analyst*

# Data Profiles

**Table DP-1.** New Orleans HMA Data Profile, 2000 to Current

| | 2000 | 2010 | Current | Average Annual Change (%) 2000 to 2010 | Average Annual Change (%) 2010 to Current |
|---|---|---|---|---|---|
| Total resident employment | 604,094 | 526,508 | 572,700 | – 1.4 | 1.2 |
| Unemployment rate | 5.1% | 7.7% | 4.5% | | |
| Nonfarm payroll jobs | 627,300 | 533,000 | 575,100 | – 1.6 | 1.1 |
| Total population | 1,337,726 | 1,189,866 | 1,278,000 | – 1.2 | 0.9 |
| Total households | 505,579 | 462,863 | 495,400 | – 0.9 | 0.9 |
| Owner households | 312,656 | 294,705 | 294,300 | – 0.6 | 0.0 |
| Percent owner | 61.8% | 63.7% | 59.4% | | |
| Renter households | 192,923 | 168,158 | 201,100 | – 1.4 | 2.3 |
| Percent renter | 38.2% | 36.3% | 40.6% | | |
| Total housing units | 556,234 | 546,694 | 561,200 | – 0.2 | 0.3 |
| Owner vacancy rate | 1.6% | 2.8% | 1.7% | | |
| Rental vacancy rate | 7.9% | 14.4% | 8.5% | | |
| Median Family Income | NA | NA | $60,000 | NA | NA |

*NA = data not available.*

*Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through March 2018. Median Family Income is for 2016. The current date is April 1, 2018.*

*Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst*

**Table DP-2.** Jefferson Parish Submarket Data Profile, 2000 to Current

| | | | | Average Annual Change (%) | |
|---|---|---|---|---|---|
| | 2000 | 2010 | Current | 2000 to 2010 | 2010 to Current |
| Total population | 455,466 | 432,552 | 439,300 | – 0.5 | 0.2 |
| Total households | 176,234 | 169,647 | 173,050 | – 0.4 | 0.2 |
| Owner households | 112,549 | 108,044 | 101,000 | – 0.4 | – 0.8 |
| Percent owner | 63.9% | 63.7% | 58.4% | | |
| Renter households | 63,685 | 61,603 | 72,050 | – 0.3 | 2.0 |
| Percent renter | 36.1% | 36.3% | 41.6% | | |
| Total housing units | 187,907 | 189,135 | 189,200 | 0.1 | 0.0 |
| Owner vacancy rate | 1.2% | 2.2% | 1.8% | | |
| Rental vacancy rate | 7.2% | 13.1% | 8.3% | | |
| Median Family Income | $40,400 | $59,800 | $60,000 | 4.0 | 0.0 |

*Notes: Numbers may not add to totals because of rounding. Median Family Incomes are for 1999, 2009, and 2016. The current date is April 1, 2018.*

*Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst*

**Table DP-3.** Orleans Parish Submarket Data Profile, 2000 to Current

| | | | | Average Annual Change (%) | |
|---|---|---|---|---|---|
| | 2000 | 2010 | Current | 2000 to 2010 | 2010 to Current |
| Total population | 484,674 | 343,829 | 392,700 | – 3.4 | 1.7 |
| Total households | 188,251 | 142,158 | 158,700 | – 2.8 | 1.4 |
| Owner households | 87,589 | 68,003 | 69,650 | – 2.5 | 0.3 |
| Percent owner | 46.5% | 47.8% | 43.9% | | |
| Renter households | 100,662 | 74,155 | 89,050 | – 3.0 | 2.3 |
| Percent renter | 53.5% | 52.2% | 56.1% | | |
| Total housing units | 215,091 | 189,896 | 193,100 | – 1.2 | 0.2 |
| Owner vacancy rate | 2.2% | 4.6% | 2.0% | | |
| Rental vacancy rate | 7.9% | 16.5% | 8.4% | | |
| Median Family Income | $40,400 | $59,800 | $60,000 | 4.0 | 0.0 |

*Notes: Numbers may not add to totals because of rounding. Median Family Incomes are for 1999, 2009, and 2016. The current date is April 1, 2018.*

*Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst*

**Table DP-4.** Remainder Submarket Data Profile, 2000 to Current

| | | | | Average Annual Change (%) | |
|---|---|---|---|---|---|
| | 2000 | 2010 | Current | 2000 to 2010 | 2010 to Current |
| Total population | 397,586 | 413,485 | 446,200 | 0.4 | 1.0 |
| Total households | 141,094 | 151,058 | 163,700 | 0.7 | 1.0 |
| Owner households | 112,518 | 118,658 | 123,700 | 0.5 | 0.5 |
| Percent owner | 79.7% | 78.6% | 75.6% | | |
| Renter households | 28,576 | 32,400 | 40,000 | 1.3 | 2.7 |
| Percent renter | 20.3% | 21.4% | 24.4% | | |
| Total housing units | 153,236 | 167,663 | 178,900 | 0.9 | 0.8 |
| Owner vacancy rate | 1.5% | 2.4% | 1.5% | | |
| Rental vacancy rate | 9.2% | 11.7% | 9.0% | | |

*Notes: Numbers may not add to totals because of rounding. The current date is April 1, 2018.*

*Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst*

## Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 4/1/2018—Estimates by the analyst
Forecast period: 4/1/2018–4/1/2021—Estimates by the analyst

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_New OrleansLA_18.pdf.

## Contact Information

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This analysis has been prepared for the assistance and guidance of 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 the Economic and Market Analysis Division within HUD. 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 expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to huduser.gov/portal/ushmc/chma_archive.html.