

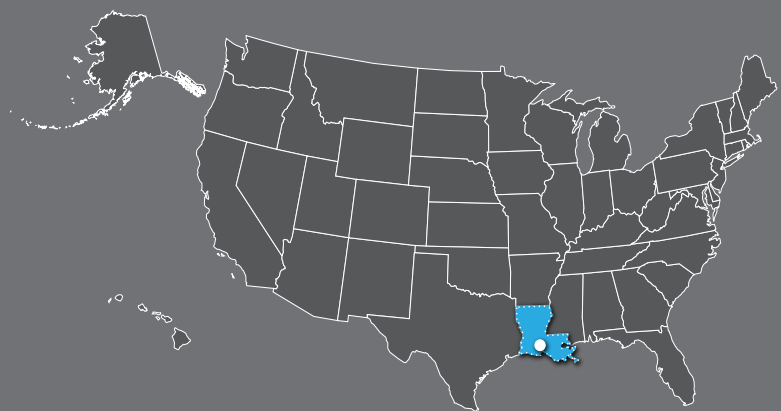
# HUD PD&R Housing Market Profiles

## Lafayette, Louisiana



### Quick Facts About Lafayette

- Current sales market conditions: slightly soft
- Current apartment market conditions: soft
- The Lafayette metropolitan area is part of the Acadiana region in south-central Louisiana and a center of Cajun culture.



By [Andrew Cross](#) | As of January 1, 2025

### Overview

The Lafayette Metropolitan Statistical Area (hereafter, Lafayette metropolitan area) consists of Acadia, Iberia, Lafayette, St. Martin, and Vermilion Parishes in southern Louisiana. The principal city of Lafayette is the seat of Lafayette Parish. As of April 2020, the metropolitan area was the third most populous metropolitan statistical area in Louisiana, following the New-Orleans-Metairie and Baton Rouge Metropolitan Statistical Areas.

- As of January 1, 2025, the population of the metropolitan area is estimated at 484,800, representing an average increase of 1,350, or 0.3 percent, annually since April 2020, including net in-migration averaging 230 people annually.
- By comparison, from July 2015 to April 2020, the population decreased by an average of 1,100, or 0.2 percent, annually, with net out-migration of 3,325 people annually, partly due to falling oil prices contributing to deteriorating economic conditions.
- As of April 1, 2020, Lafayette Parish was the fifth most populous parish in the state of Louisiana and accounted for 51 percent of the total population in the metropolitan area (U.S. Census Bureau decennial census).



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## Economic Conditions

Economic conditions in the Lafayette metropolitan area are stable. By 2022, the metropolitan area recovered all 21,800 jobs lost during March and April 2020 because of the COVID-19-related downturn. As of the fourth quarter of 2024, nonfarm payrolls increased by 1,700 jobs, or 0.8 percent, to 207,300 jobs compared with the previous year, when nonfarm payrolls increased 0.3 percent. Despite having recovered the total number of jobs lost during the pandemic, only four sectors have surpassed prepandemic levels: the manufacturing, the professional and business services, the education and health services, and the other services sectors. The education and health services sector surpassed prepandemic levels by 4,000 jobs, or 12 percent, representing the greatest gain among all nonfarm payroll sectors.

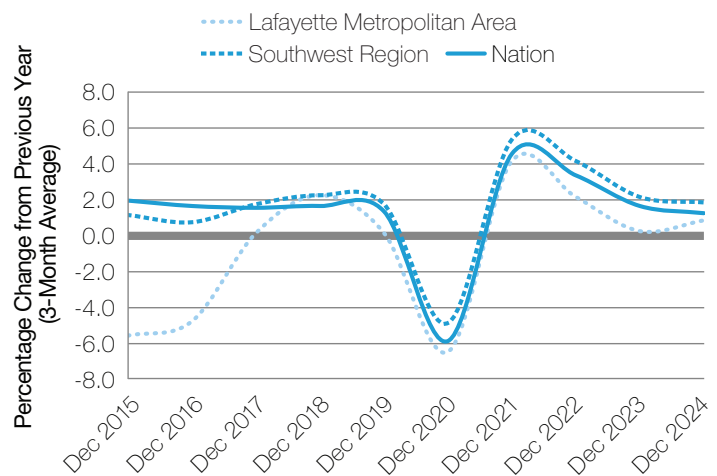
As of the fourth quarter of 2024—

- The education and health services sector, the largest payroll sector in the metropolitan area, added the most jobs, increasing by 2,000 jobs, or 5.6 percent. Growth in the sector was partly due to an expansion at Our Lady of Lourdes Regional Medical Center in Lafayette.
- The other services sector—which includes repair services, personal services, nonprofit and religious organizations, and a variety of businesses not classified in other nonfarm sectors—added 500 jobs, or 6.6 percent, the strongest growth in percentage terms.

- The mining, logging, and construction sector increased by 400 jobs, or 2.0 percent, because of several expansions underway in the metropolitan area, including a new high school and a warehouse for Slap Ya Mama seasoning.
- The unemployment rate averaged 4.2 percent, up from 3.6 percent a year ago but down from 6.4 percent in the fourth quarter of 2020.

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**Nonfarm payroll growth strengthened during the 3 months ending December 2024 compared with a year ago but is below the national and regional growth rates.**



Source: U.S. Bureau of Labor Statistics

**As of the fourth quarter of 2024, total nonfarm payrolls increased in 6 of the 11 sectors in the Lafayette metropolitan area.**

	3 Months Ending		Year-Over-Year Change	
	December 2023 (Thousands)	December 2024 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	205.6	207.3	1.7	0.8
Goods-Producing Sectors	37.3	37.6	0.3	0.8
Mining, Logging, & Construction	20.2	20.6	0.4	2.0
Manufacturing	17.1	17.1	0.0	0.0
Service-Providing Sectors	168.3	169.7	1.4	0.8
Wholesale & Retail Trade	35.1	35.3	0.2	0.6
Transportation & Utilities	6.4	6.6	0.2	3.1
Information	1.7	1.7	0.0	0.0
Financial Activities	11.0	10.8	-0.2	-1.8
Professional & Business Services	23.2	22.4	-0.8	-3.4
Education & Health Services	35.8	37.8	2.0	5.6
Leisure & Hospitality	21.3	20.5	-0.8	-3.8
Other Services	7.6	8.1	0.5	6.6
Government	26.1	26.5	0.4	1.5
<b>Unemployment Rate</b>	3.6%	4.2%		

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

Source: U.S. Bureau of Labor Statistics

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Gains in the mining, logging, and construction sector are also due to the construction of a new \$1.1 billion First Solar, Inc. facility underway in the city of New Iberia. The facility is expected to create 700 new manufacturing jobs when complete during 2026 (REBusiness Online).

## Largest Employers in the Lafayette Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Ochsner Lafayette General Medical Center	Education & Health Services	4,775
Our Lady of Lourdes Regional Medical Center	Education & Health Services	3,000
University of Louisiana at Lafayette	Government	2,525

Note: Excludes local school districts.

Source: Lafayette Economic Development Authority, 2023–24

## Sales Market Conditions

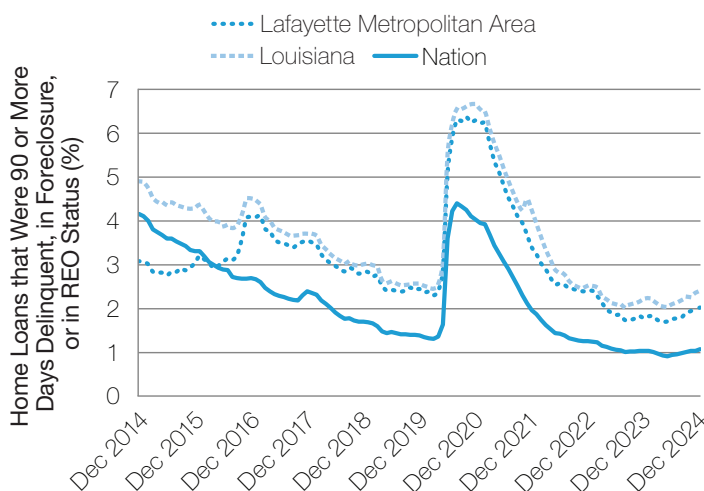
Home sales market conditions in the Lafayette metropolitan area are slightly soft, with an estimated vacancy rate of 1.9 percent, up from 1.4 percent during April 2020. New and existing home sales during 2024 increased by 140, or 3 percent, from the previous year, when home sales decreased 29 percent (Zonda). During December 2024, a 4.4-month supply of housing inventory was available for sale in the metropolitan area compared with a 4.2-month supply in December 2023 (Redfin, a national real estate brokerage). The percentage of home loans in the metropolitan area that were seriously delinquent or had transitioned into real estate owned status increased to 2.0 percent in December 2024 from 1.8 percent in December 2023 (CoreLogic, Inc.). The current rate is less than the 2.4-percent rate for Louisiana and higher than the 1.1-percent rate nationally.

During 2024 —

- Existing home sales totaled 3,675, an increase of 70 homes, or 2 percent, from a year ago (Zonda). By comparison, existing home sales decreased by 1,550, or 30 percent, during 2023.
- Existing home sales prices decreased by \$7,725, or 3 percent, to \$238,800, offsetting the 3-percent gain during 2023.
- New home sales totaled 980, an increase of 70 homes, or 7 percent, after decreasing by 300, or 25 percent, during 2023.
- New home prices decreased by \$43,650, or 13 percent, to \$286,200, partly because of an increasing share of sales in the more affordable parishes of the metropolitan area.

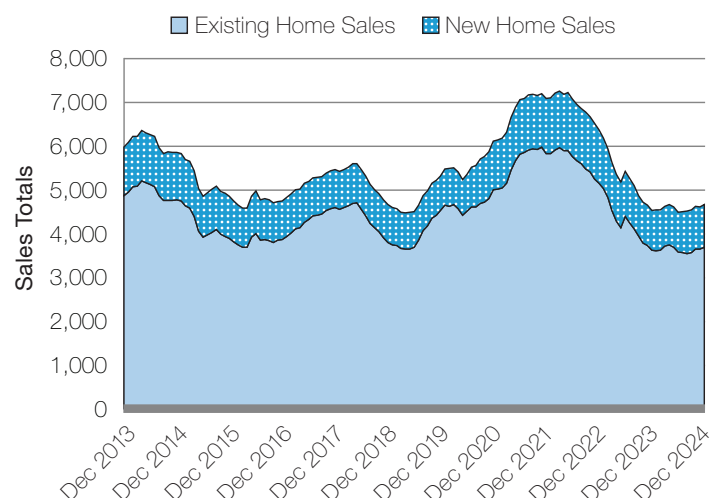
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The percentage of home loans 90 or more days delinquent, in foreclosure, or recently transitioned to REO status in the Lafayette metropolitan area has been above the national average since May 2016.



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

New and existing home sales have fallen from their respective peaks during 2021 and 2022, partly because of higher mortgage interest rates adding to the cost of purchasing a home.

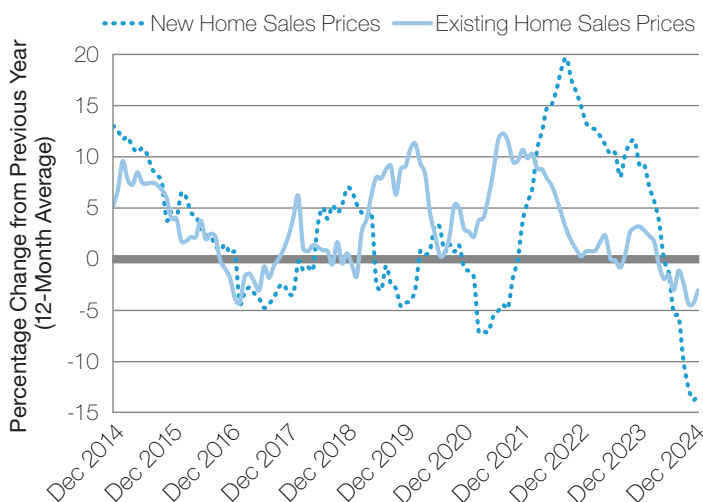


Note: Sales are for single-family homes and townhomes.  
Source: Zonda



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**New home price growth peaked during the 12 months ending September 2022 but prices have since fallen at the fastest rates since the Great Recession.**



Note: Prices are for single-family homes and townhomes.  
Source: Zonda

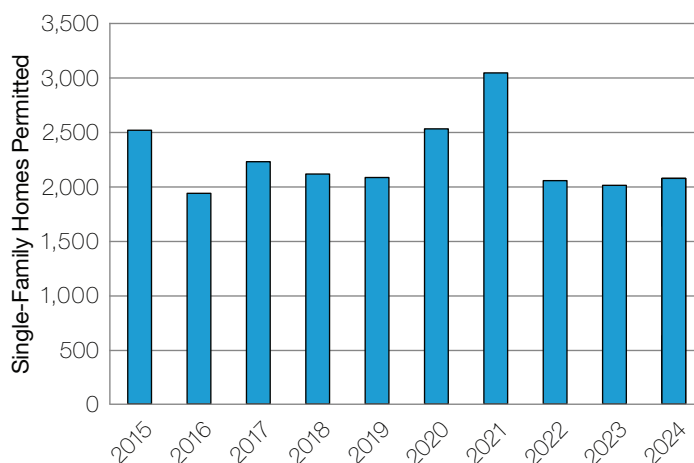
Single-family home construction in the metropolitan area, as measured by the number of homes permitted, reached a high of 3,050 units in 2021 but has since fallen, and annual permitting is similar to prepandemic levels.

- Single-family home permitting totaled 2,075 homes during 2024, an increase of 60 homes, or 3 percent, from 2023, partly due to a rise in the number of new homes sold in more affordable areas compared with the previous year.
- During 2024, approximately 76 percent of single-family home construction in the metropolitan area was in Lafayette

Parish; Vermilion and Acadia Parishes accounted for 11 and less than 7 percent, respectively. Single-family home construction activity in Iberia and St. Martin Parishes accounted for less than 7 percent combined.

- Recent home developments in the city of Lafayette include the second phase of Savannah Pointe, which will have 142 three-bedroom homes at buildout, with starting prices ranging from \$183,990 to \$197,990. Four homes are ready for move in, with several homes under construction.

**During 2021, the number of single-family homes permitted reached its highest level since at least 2010 because low mortgage interest rates contributed to strong demand, but construction activity has since fallen.**



Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

## Apartment Market Conditions

Apartment market conditions in the Lafayette metropolitan area are currently soft. Market conditions were slightly tight during the fourth quarter of 2021 but have since softened because of a surge in apartment completions. Approximately 860 new apartment units entered the market during 2024, outpacing the absorption of approximately 390 units (CoStar Group).

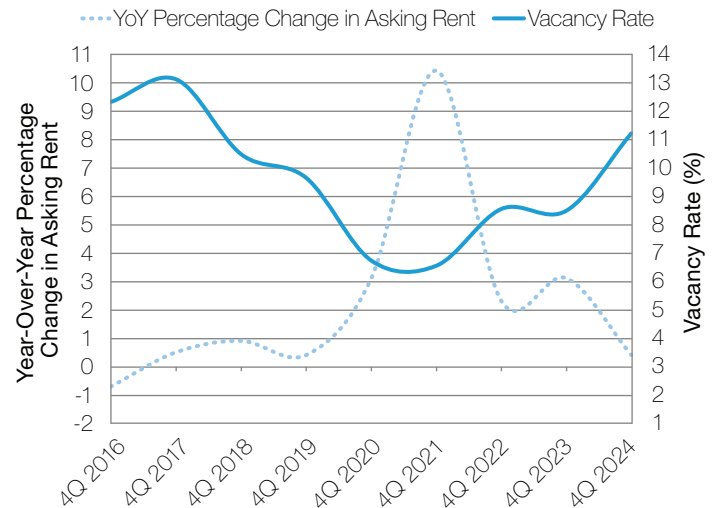
As of the fourth quarter of 2024 —

- The apartment vacancy rate was 11.2 percent, up from 8.5 percent the previous year (CoStar Group).
- The average rent for an apartment was \$1,122, reflecting an increase of \$5, or less than 1 percent, from a year earlier.
- The average respective asking rents were \$981, \$1,161, and \$1,543 for one-, two-, and three-bedroom apartments, representing increases of 1, 2, and 4 percent from a year prior.
- The respective vacancy rates for one-, two-, and three-bedroom apartments were 9.3, 10.5, and 11.2 percent, up from 8.2, 8.2, and 8.5 percent as of the fourth quarter of 2023.

Multifamily construction activity in the metropolitan area, as measured by the number of multifamily units permitted and estimates by the analyst, was elevated during the past 2 years, nearly triple the average number of units permitted annually from 2015 through 2022.

- Multifamily permitting totaled 820 units during 2024, an increase of 20 units, or 2 percent, from 2023.
- From 2015 through 2022, multifamily permitting ranged from 70 to 510 units annually and averaged 280 units.
- An estimated 840 multifamily units are under construction in the metropolitan area, most of which are in structures with five or more units.
- The Waters at Settlers Trace is a 348-unit apartment community in the city of Lafayette that opened in May 2024. Average monthly rents for one-, two-, and three-bedroom units are \$1,448, \$1,853, and \$1,933, respectively.

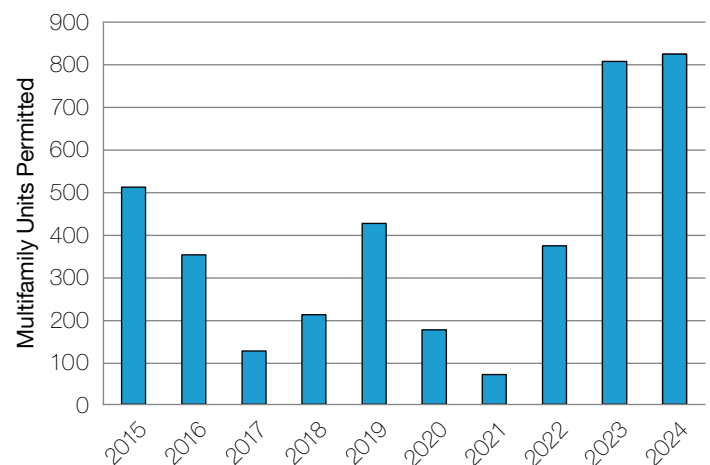
**Apartment rent growth accelerated during the pandemic when apartment vacancies decreased, but rent growth slowed considerably when vacancies trended upward.**



4Q = fourth quarter. YoY = year-over-year.

Source: CoStar Group

**Multifamily permitting during 2023 and 2024 was at the highest level in more than 30 years, contributing to rapid growth in the apartment inventory.**



Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

## Terminology Definitions and Notes

### A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. 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.
Existing Home Sales	Includes regular resales and real estate owned sales.
Home Sales/Home Sales Prices	Includes single-family, townhome, and condominium sales.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

### B. Notes on Geography

1.	The metropolitan statistical area definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	The HUD Southwest region includes Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.