

# HUD PD&R Housing Market Profiles

## New Orleans-Metairie, Louisiana

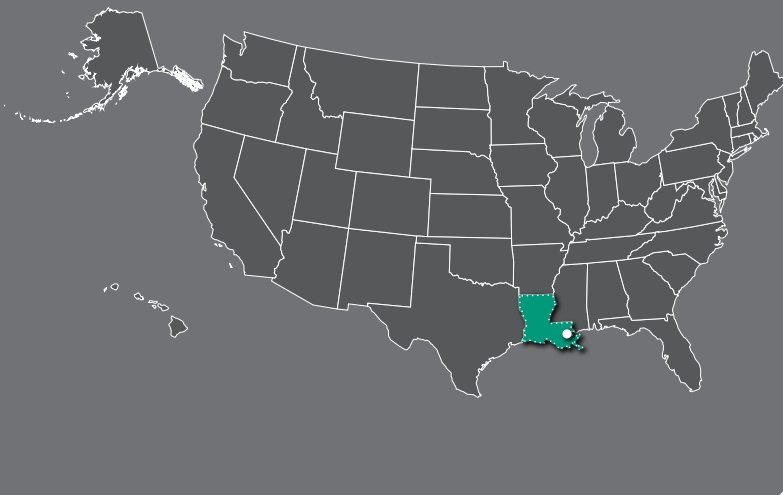


### Quick Facts About New Orleans-Metairie

New Orleans, Louisiana

By [Randall Goodnight](#) | As of March 1, 2024

- Current sales market conditions: soft
- Current apartment market conditions: soft
- The metropolitan area is a popular tourist destination. In 2022, 17.53 million visitors spent a combined \$9.1 billion (New Orleans & Company).



### Overview

The New Orleans-Metairie, LA Metropolitan Statistical Area (hereafter, New Orleans metropolitan area) is in southeast Louisiana near the mouth of the Mississippi River and consists of Jefferson, Orleans (the city of New Orleans), Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, and St. Tammany Parishes. The city of New Orleans was ranked third in the Top 15 Cities in the United States list in 2023 by *Travel + Leisure* World's Best Awards. According to the magazine, the ranking was based on "sights and landmarks, culture, food, friendliness, shopping, and value."

- The current population of the metropolitan area is estimated at 1.24 million, representing an average decrease of 9,150, or 0.7 percent, annually since April 2020 (U.S. Census Bureau decennial census count and estimates by the analyst). By comparison, the population increased an average of 0.1 percent annually from July 2016 to April 2020 (Census Bureau decennial census count, population estimates as of July 1).
- Since 2020, net out-migration has averaged 10,600 people annually, partly because of significant job declines due to the COVID-19 pandemic and the subsequent slow economic recovery. By comparison, net out-migration

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- averaged 2,200 people annually from 2016 to 2020, a period of relatively slow job growth.
- Natural disasters and rising insurance and housing costs have exacerbated net out-migration since 2020. Hurricane Ida, which made landfall in the metropolitan area on August 29, 2021, displaced thousands of residents. More than 146,000 metropolitan area households received a combined \$465.2 million in assistance from the Federal Emergency Management Agency (Louisiana Office of Community Development). In addition, insurance companies paid more than \$8.0 billion in claims to properties and businesses, causing insurance costs to rise significantly during the past 2 years (Louisiana Department of Insurance).
- Net natural increase has slowed to an average of 1,450 people annually since 2020 compared with an average of 3,675 people annually from 2016 to 2020, partly because of excess deaths attributed to the COVID-19 pandemic.

- With approximately 421,800 residents, Jefferson Parish was the most populous parish in 2023, accounting for 34 percent of the metropolitan area population. Orleans and St. Tammany Parishes were the second and third most populous parishes, with 364,100 and 275,600 residents, or 29 and 22 percent of the metropolitan area population, respectively. The remaining five parishes accounted for a combined 15 percent.
- From 2020 to 2023, the population increased in only two parishes in the metropolitan area—St. Tammany and St. Bernard, increasing by annual averages of 3,400 and 220, or 1.3 and 0.5 percent, respectively. The populations of Jefferson and Orleans Parishes declined by annual averages of 5,850 and 6,100, or 1.3 and 1.6 percent, respectively. The population of the remaining parishes declined by a combined average of 2,150, or 1.6 percent, annually.

## Economic Conditions

The economy of the New Orleans metropolitan area is weak and has yet to recover from job losses caused by the COVID-19 pandemic. As of the 3 months ending February 2024, nonfarm payrolls decreased year over year by 5,700, or 1.0 percent, to 560,500 jobs compared with a 2.6-percent increase a year earlier. Nonfarm payrolls were 29,200 jobs, or 4.9 percent, fewer than the average number of jobs as of the 3 months ending February 2020, the most recent comparable period before the pandemic. Nonfarm payrolls increased 1.8 percent during 2015 before declining an average of 0.1 percent annually

during 2016 and 2017, with most of the job losses in energy-related sectors adversely affected by falling oil prices. Job growth resumed during 2018 and 2019 when nonfarm payrolls increased an average of 0.9 percent annually. Nonfarm payrolls declined 9.3 percent during 2020 because of restrictions to slow the spread of COVID-19. Most of those restrictions were lifted by the end of 2021, contributing to a 1.9-percent increase in nonfarm payrolls during 2021 despite Hurricane Ida causing temporary closures of many businesses and hindering the local

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### Job losses occurred in the New Orleans metropolitan area in 6 of 11 job sectors during the 3 months ending February 2024.

	3 Months Ending		Year-Over-Year Change	
	February 2023 (Thousands)	February 2024 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	566.2	560.5	-5.7	-1.0
Goods-Producing Sectors	61.1	60.4	-0.7	-1.1
Mining, Logging, & Construction	31.1	30.2	-0.9	-2.9
Manufacturing	29.9	30.2	0.3	1.0
Service-Providing Sectors	505.2	500.1	-5.1	-1.0
Wholesale & Retail Trade	81.1	79.3	-1.8	-2.2
Transportation & Utilities	29.5	29.0	-0.5	-1.7
Information	8.6	6.5	-2.1	-24.4
Financial Activities	29.1	29.5	0.4	1.4
Professional & Business Services	76.6	73.8	-2.8	-3.7
Education & Health Services	107.1	107.2	0.1	0.1
Leisure & Hospitality	80.6	80.4	-0.2	-0.2
Other Services	23.9	24.5	0.6	2.5
Government	68.7	69.8	1.1	1.6
<b>Unemployment Rate</b>	3.5%	4.2%		

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

Source: U.S. Bureau of Labor Statistics



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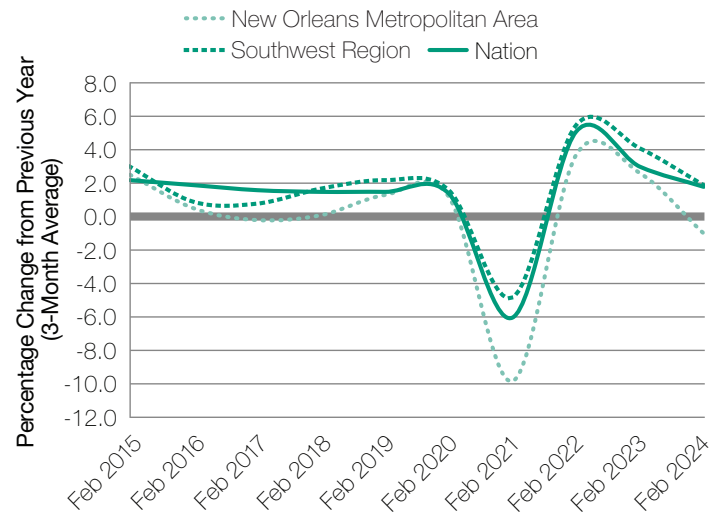
economic recovery. Nonfarm payrolls decreased during the month of September 2021 by 32,600, or 5.9 percent, compared with a month earlier (monthly data, not seasonally adjusted). Those disaster-related job losses were recovered by November 2021 when businesses reopened.

As of the 3 months ending February 2024—

- Nonfarm payrolls decreased year over year in 6 of 11 job sectors, with the greatest loss occurring in the professional and business services sector, which decreased by 2,800 jobs, or 3.7 percent. Nearly three-fourths of job losses in the sector were in the employment services subsector, which declined by 2,100, or 16.8 percent. Those losses were mostly due to layoffs of temporary workers in the local filming industry stemming from strikes in 2023 by the Screen Actors Guild-American Federation of Television and Radio Artists and the Writers Guild of America. In 2022, the temporary help services industry accounted for 87 percent of employment services subsector jobs (Quarterly Census of Employment and Wages).
- Decreased production in the local filming industry also contributed to the information sector declining by 2,100 jobs, or 24.4 percent, compared with a year earlier. In 2022, the motion picture and video industries accounted for almost one-half of jobs in the information sector.
- The government sector increased by 1,100 jobs, or 1.6 percent, partly offsetting overall nonfarm payroll declines. Job gains in the local government subsector, which increased by 700, or 1.5 percent, accounted for 63 percent of job growth in the sector.
- The education and health services sector was the largest job sector, with 107,200 jobs, accounting for 19 percent of nonfarm payrolls, and increased by 100 jobs, or 0.1 percent.

The metropolitan area economy is expected to benefit from increased hiring in several job sectors because of ongoing or planned expansions. St. Tammany Health System began construction of a new surgical center in St. Tammany Parish in November 2022. The \$75 million facility is expected to be complete by the end of 2024. Ochsner Health Network announced plans to build The Gayle and Tom Benson

**Job losses from the COVID-19 pandemic were more severe in the New Orleans metropolitan area compared with the HUD Southwest Region and the nation.**



Source: U.S. Bureau of Labor Statistics

### Largest Employers in the New Orleans Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Ochsner Health Network	Education & Health Services	22,000
LCMC Health	Education & Health Services	17,000
Tulane University	Education & Health Services	4,100

Note: Excludes local school districts.

Sources: Jefferson Parish Economic Development Commission; employers

Ochsner Children's Hospital in Jefferson Parish. Construction of the 343,000-square-foot hospital is expected to begin in the summer of 2024 and be complete in 2027. The renovation and expansion of Harrah's New Orleans Hotel & Casino by Caesars Entertainment, Inc. is underway and will add 500 jobs in the leisure and hospitality sector. Once complete, the hotel and casino will be renamed Caesars New Orleans. The \$435 million project includes a new 340-room hotel expected to be complete in August 2024.

## Sales Market Conditions

Home sales market conditions are soft in the New Orleans metropolitan area. The estimated sales vacancy rate is currently 2.0 percent, up from 1.6 percent as of April 1, 2020, when market conditions were balanced. The inventory of homes available for sale in February 2024 represented a 5.4-month supply, up from 3.7 months in February 2023 and 1.4 months in February 2022 (Redfin, a national real estate brokerage,

with adjustments by the analyst). By comparison, the supply of homes for sale averaged 4.2 months from 2015 through 2019 before decreasing to 3.4 months in April 2020 and 1.9 months in February 2021 when sales market conditions tightened during the pandemic. Sales housing market conditions softened during the past 2 years, partly because of an increase in mortgage interest rates. The average interest rate for a 30-year, fixed-rate

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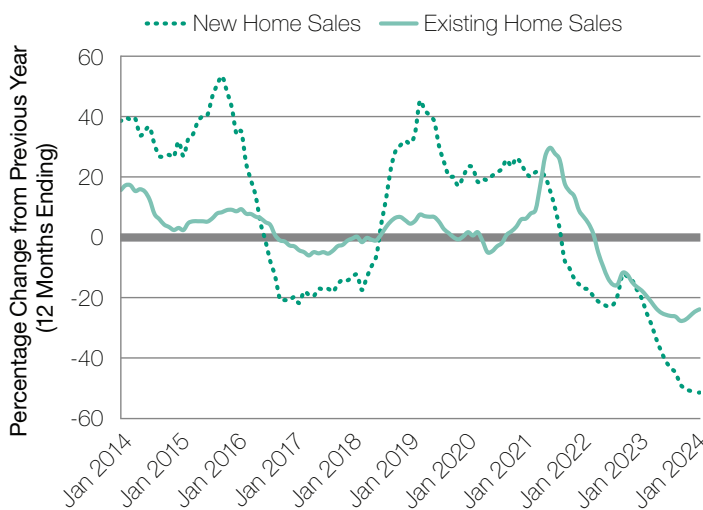


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mortgage during 2023 was 6.8 percent compared with 5.3 and 3.0 percent in 2022 and 2021, respectively (Freddie Mac). New and existing home sales in the metropolitan area decreased by 5,275, or 26 percent, to 15,100 homes sold during the 12 months ending January 2024, following an 18-percent decrease a year earlier. Home sales in the metropolitan area reached a recent high during the 12 months ending June 2021, when historically low mortgage interest rates contributed to strong demand, and 27,150 homes were sold, representing a 28-percent increase from a year earlier. Previously, new and existing home sales declined an average of 3 percent annually during 2016 and 2017 before increasing an average of 5 percent annually from 2018 through 2020. The average sales price for new and existing homes during the 12 months ending January 2024 was \$292,200, reflecting a decrease of \$9,525, or 3 percent, from a year ago compared with a 5-percent increase a year earlier and a 12-percent increase in 2021. Previously, the average home price increased an average of 4 percent annually from 2014 through 2019 before surging to a 9-percent increase in 2020. The relatively low inventory of homes available for sale contributed to the strong price growth during 2020 and 2021.

As of January 2024, 2.1 percent of home loans were seriously delinquent or in real estate owned (REO) status, down slightly from 2.2 percent a year earlier (CoreLogic, Inc.). The percentage of seriously delinquent mortgages and REO properties in the metropolitan area reached a recent peak of 7.5 percent in August 2020, when weak economic conditions from the COVID-19 pandemic made it more difficult for many homeowners to stay current on mortgage payments, and a large number of home mortgages were in forbearance.

**Existing home sales in the New Orleans metropolitan area have declined since April 2022, and new home sales have decreased since September 2021.**

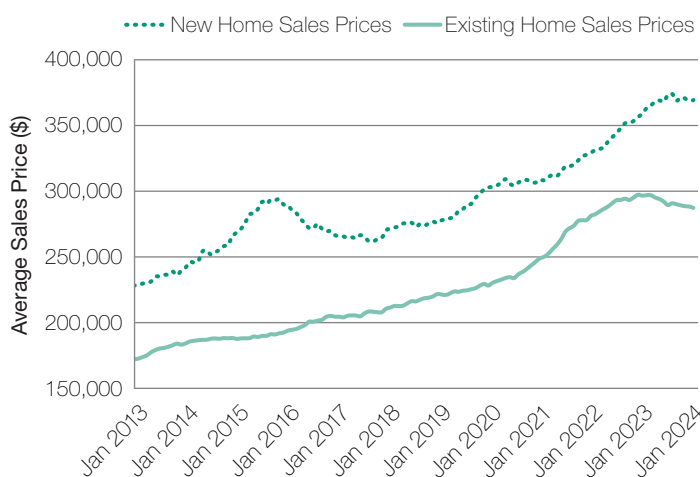


Note: Includes single-family homes, townhomes, and condominiums.  
Source: CoreLogic, Inc.

- During the 12 months ending January 2024, new home sales decreased 51 percent to 800 homes, following a 20-percent decline a year earlier. The average price for a new home increased 1 percent to \$367,800 compared with a 10-percent increase a year earlier.
- Existing home sales, which include resales and distressed sales, decreased 24 percent to 14,300 homes, following an 18-percent decrease a year earlier. The average price for existing homes decreased 3 percent to \$288,200 compared with a 5-percent increase a year earlier.

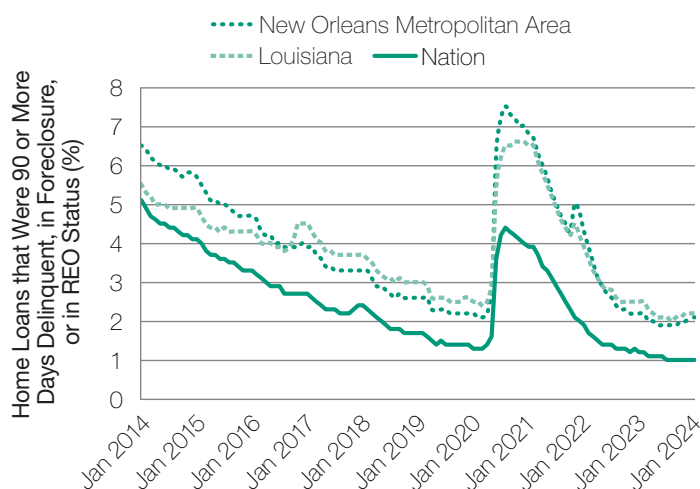
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**Existing home sales prices in the New Orleans metropolitan area declined during the past year, and new home sales price growth slowed.**



Note: Includes single-family homes, townhomes, and condominiums.  
Source: CoreLogic, Inc.

**The share of seriously delinquent home loans and REO properties in the New Orleans metropolitan area has been consistently higher than the national share but slightly lower than the rate in Louisiana since June 2022.**



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

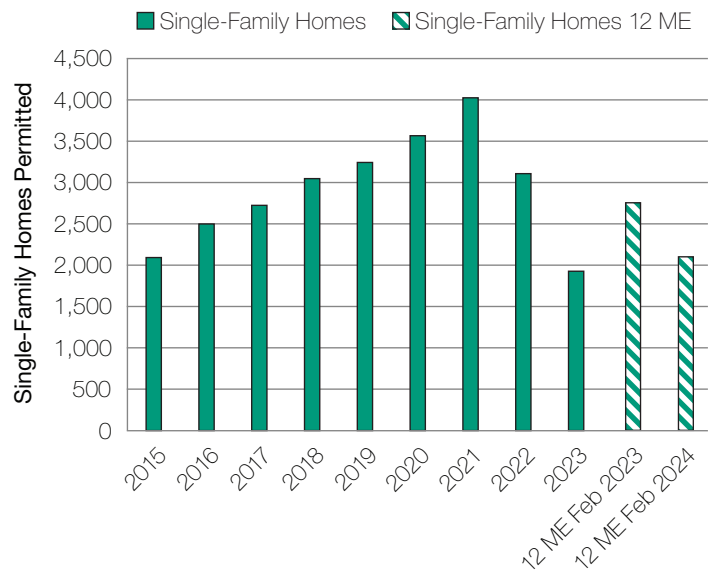
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- Distressed home sales accounted for 3 percent of existing home sales, up from 2 percent a year earlier but down from the peak level of 20 percent in 2012.
- Investor home purchases accounted for 31 percent of total home sales during 2023, up from 29 percent a year earlier (John Burns Research and Consulting, LLC). The portion of investor home purchases of home sales decreased from 23 percent in both 2018 and 2019 to 21 percent in 2020.

Single-family homebuilding activity, as measured by the number of single-family homes permitted and estimates by the analyst, decreased year over year in the metropolitan area by 650 homes, or 24 percent, to 2,100 homes during the 12 months ending February 2024. This decrease followed a 30-percent decline a year earlier as home builders responded to a decrease in home sales demand during the past 2 years. An estimated 1,375 homes are under construction.

- Single-family homebuilding activity increased an average of 11 percent annually from 2016 through 2021.
- During the 12 months ending February 2024, 45 percent of single-family home construction in the metropolitan area occurred in St. Tammany Parish, and Jefferson and Orleans Parishes accounted for 22 and 14 percent, respectively. Single-family home construction activity in the remaining five parishes accounted for a combined 19 percent.
- In the city of Slidell in St. Tammany Parish, construction is underway at the Lakeshore Villages residential community. The development, on the north shore of Lake Pontchartrain and adjacent to Big Branch Marsh National Wildlife Refuge, is currently offering two-, three-, four-, and five-bedroom homes, ranging in size from about 900 to 2,325 square feet and starting at \$189,900. Since opening in 2015, approximately 1,250 new homes have sold at Lakeshore Villages, and the community is expected to include 2,500 homes at buildout.

The number of single-family homes permitted in the New Orleans metropolitan area has declined since 2022 after steadily increasing from 2016 through 2021.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–22—final data and estimates by the analyst; 2023 and past 24 months of data—preliminary data and estimates by the analyst

- Habitat for Humanity recently broke ground on the 40-acre Rising Oaks residential community, with approximately 150 single-family homes in the city of Terrytown in Jefferson Parish. Approximately 100 two-, three-, and four-bedroom homes, ranging in size from 900 to 1,500 square feet, will be restricted to first-time homebuyers. The remaining homes will be one-bedroom cottages, ranging in size from 700 to 900 square feet, and restricted to homebuyers aged 55 and older. Habitat for Humanity will provide no-interest mortgages to qualifying homebuyers. Home prices in the community are expected to start at about \$180,000.

## Apartment Market Conditions

Apartment market conditions are currently soft in the New Orleans metropolitan area, unchanged from conditions a year ago. As of the fourth quarter of 2023, the average apartment vacancy rate was 8.8 percent compared with 8.9 percent a year earlier and 7.9 percent as of the fourth quarter of 2021 (CoStar Group). The weak economy and net out-migration have contributed to relatively high apartment vacancy rates since the fourth quarter of 2021. By comparison, the market was balanced, with an average apartment vacancy rate of 6.6 percent as of the second quarter of 2021, prior to Hurricane Ida, and the fourth quarter vacancy rates from 2015 through

2020 ranged from 6.6 to 7.2 percent. Apartment units in Jefferson Parish account for an estimated 47 percent of the metropolitan area apartment market compared with 39 and 11 percent in Orleans and St. Tammany Parishes, respectively. Apartment units in the remaining five parishes combined account for an estimated 3 percent.

As of the fourth quarter of 2023—

- The average apartment rent in the metropolitan area increased 2 percent to \$1,243, slowing from a 3-percent increase a year earlier. By comparison, the average

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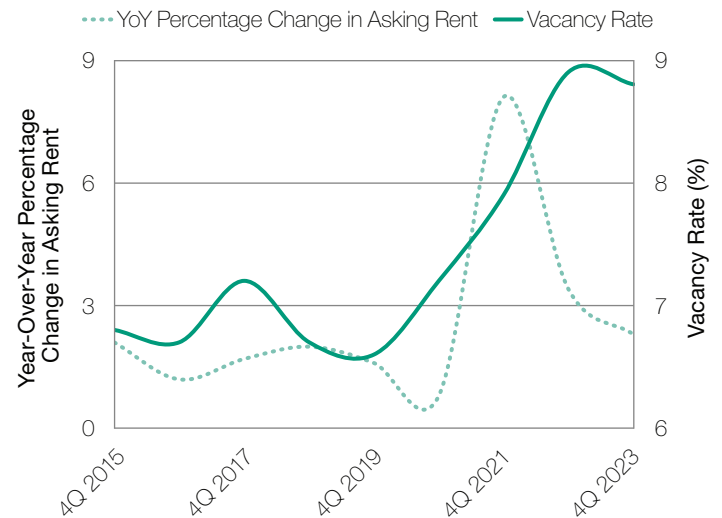
apartment rent increased 8 percent as of the fourth quarter of 2021 after increasing an average of 2 percent annually from the fourth quarter of 2015 to the fourth quarter of 2020.

- The average vacancy rate for class A apartments increased to 8.3 percent, up from 6.5 percent a year earlier, and the average rent for class A apartments was \$1,624, up 2 percent from a year earlier.
- The average vacancy rate for class B and C apartments was 8.8 percent, down from 9.2 percent a year earlier, and the average rent for class B and C units increased 2 percent to \$1,176.
- The average apartment vacancy rate in Jefferson Parish was 6.8 percent compared with 8.1 and 11.5 percent in St. Tammany and Orleans Parishes, respectively. The average rate in the remaining five parishes was 4.9 percent.
- Among the three most populous parishes, the average apartment rent was greatest in Orleans Parish at \$1,363 compared with \$1,317 in St. Tammany Parish and \$1,119 in Jefferson Parish. Among the remaining five parishes, average rents ranged from \$861 in St. James Parish to \$1,204 in St. Bernard Parish.
- The average apartment vacancy rate in the CoStar Group-defined Downtown New Orleans market area increased to 8.0 percent compared with 7.0 percent a year earlier, and the average rent was \$1,969, unchanged from a year earlier.

Multifamily housing construction activity in the metropolitan area, as measured by the number of multifamily units permitted and estimates by the analyst, totaled 1,325 units during the 12 months ending February 2024, up from 1,200 units a year earlier. Multifamily construction activity fluctuated from 2015 through 2021, ranging from 780 to 1,525 units a year and averaging 1,250 units annually.

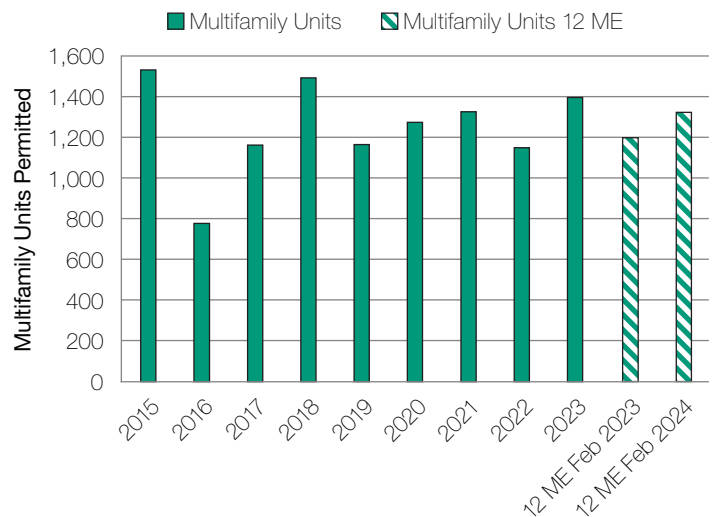
- Approximately 1,300 multifamily units are under construction in the metropolitan area, primarily in Jefferson and Orleans Parishes.
- The Metro at Clearview apartment community in the city of Metairie in Jefferson Parish is nearing completion. It will include 270 one-, two-, and three-bedroom units, with rents expected to range from \$1,500 to \$3,000 per month.
- In the city of New Orleans, construction began in October 2023 on the St. Bernard Circle apartment community. When complete in 2025, it will include 51 one- and two-bedroom units, of which 40 units will be income restricted.
- H3C Apartments was recently completed in the city of New Orleans. The community includes 192 one-, two-, and three-bedroom affordable units, restricted to households

**Apartment rent growth slowed in the New Orleans metropolitan area during the past 2 years, and vacancy rates decreased slightly in the past year but were high.**



4Q = fourth quarter. YoY = year-over-year.  
Source: CoStar Group

**Multifamily construction activity in the New Orleans metropolitan area has been generally steady since 2017.**



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–22—final data and estimates by the analyst; 2023 and past 24 months of data—preliminary data and estimates by the analyst

with incomes at or below 60 percent of the Area Median Income, with 92 units also restricted to households aged 55 and older. Rents at H3C Apartments range from \$922 for one-bedroom units, \$1,022 for two-bedroom units, and from \$1,126 to \$1,175 for three-bedroom units.

## Terminology Definitions and Notes

### A. Definitions

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 only those that are stabilized. A property is stabilized once an occupancy rate of 90 percent or above is reached, or at least 18 months pass since the property was changed from under construction to existing on the CoStar Group website.
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.
Distressed Sales	Short sales and real estate owned (REO) sales.
Existing Home Sales	Includes resales, short sales, and REO sales. Resales are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
HUD Southwest Region	Includes the states of Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.
Net Natural Increase	Resident births are greater than resident deaths.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

### B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
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