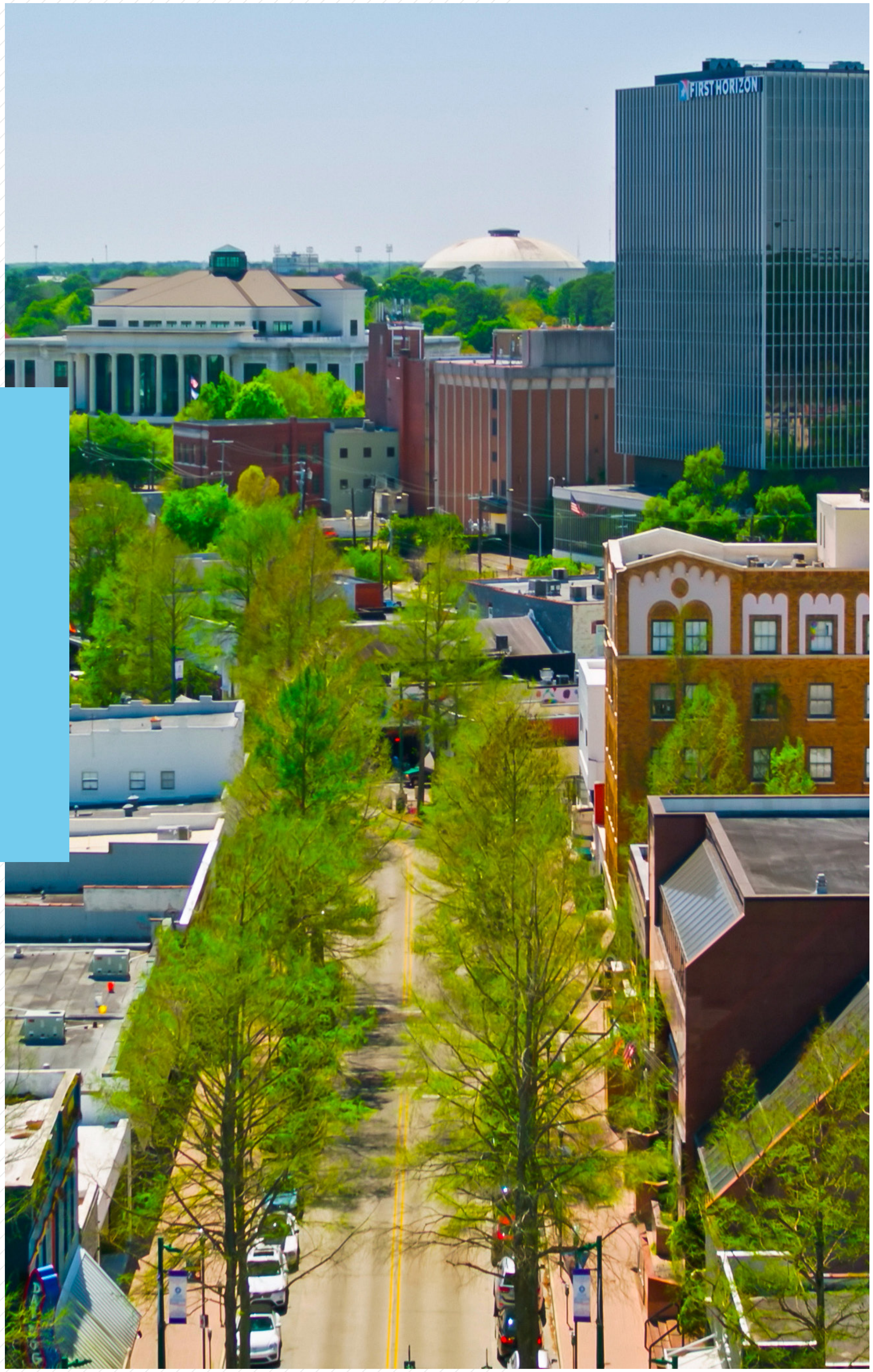
COMPREHENSIVE HOUSING MARKET ANALYSIS

Lafayette, Louisiana



U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of January 1, 2025

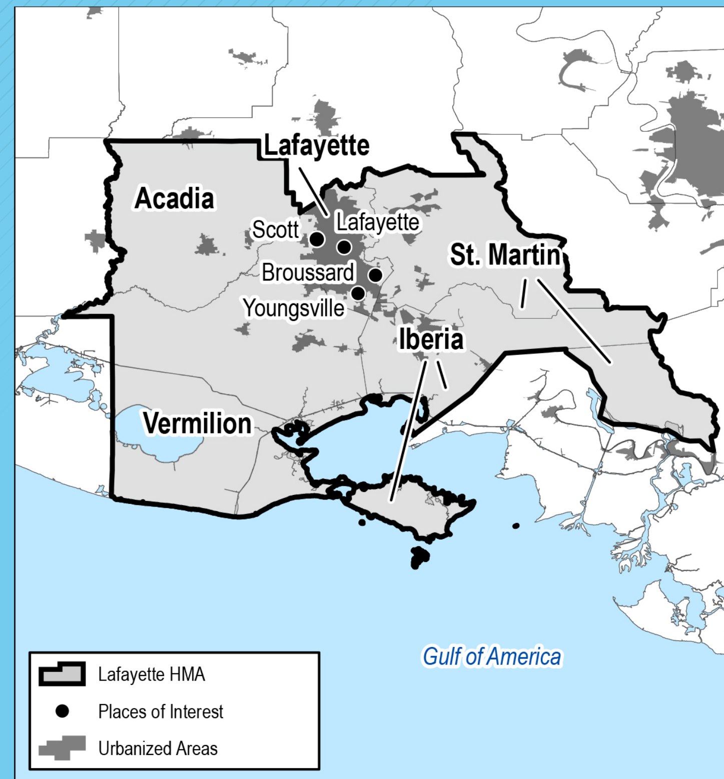
Executive Summary

Housing Market Area Description

The Lafayette Housing Market Area (HMA) is coterminous with the Lafayette, LA Metropolitan Statistical Area and includes five parishes: Acadia, Iberia, Lafayette, St. Martin, and Vermilion. The HMA is in an oil-rich area of south-central Louisiana near the offshore energy industry infrastructure in the Gulf of America. Although the HMA historically has relied on oil extraction and related activities for high-paying jobs, other industries, such as health care, have added jobs in recent years.

The current population of the HMA is estimated at 484,800.

The HMA is part of the socioeconomic region referred to as Acadiana and is the center of Cajun culture. The principal city of Lafayette in Lafayette Parish is the economic hub for the region. The HMA is home to the University of Louisiana at Lafayette (UL Lafayette), a public university known for its nursing program that received the National League for Nursing Centers of Excellence in Nursing Education designation in 2020.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's Market-at-a-Glance tool.
Additional data for the HMA can be found in this report's supplemental tables.
For information on HUD-supported activity in this area, see the Community Assessment Reporting Tool.

Market Qualifiers

Economy

Stable: Payroll growth slowed during 2024 after the Lafayette HMA recovered the number of jobs lost during 2020 because of the COVID-19 pandemic.

Nonfarm payrolls averaged 205,700 jobs during 2024, up by 1,300 jobs, or 0.6 percent, compared with 2023, when nonfarm payrolls increased by 2,500 jobs, or 1.2 percent. The education and health services sector—the largest nonfarm payroll sector in the HMA—led job growth, adding 1,700 jobs, or 4.8 percent, since 2023. The unemployment rate averaged 4.0 percent during 2024, up from 3.5 percent a year earlier but down from its recent peak of 8.3 percent during the pandemic. Job growth is expected to continue during the 3-year forecast period, averaging 0.4 percent annually.

Sales Market

Slightly Soft: Home sales prices decreased 5 percent during 2024 to $247,800, contrasting with a 4-percent average annual increase in 2022 and 2023 (Zonda).

The estimated sales vacancy rate in the HMA is 1.9 percent as of January 1, 2025, up from 1.4 percent in 2020, when sales market conditions were slightly tight. During 2024, total home sales increased 3 percent to 4,650 homes sold compared with a year ago, when home sales decreased 29 percent (Zonda). The supply of homes for sale in the HMA was 4.4 months as of December 2024, up slightly from 4.2 months in December 2023 (Redfin, a national real estate brokerage, with adjustments by the analyst). During the next 3 years, demand is estimated for 5,775 new homes. The 660 homes under construction will satisfy some of that demand in the first year of the forecast period.

Rental Market

Slightly Soft: The current rental vacancy rate is estimated at 10.7 percent, down from 11.7 percent in 2020, when the market was soft.

The apartment market in the HMA is soft, with an apartment vacancy rate of 11.2 percent as of the fourth quarter of 2024, up from 8.5 percent a year earlier. The average monthly rent was essentially unchanged, increasing less than 1 percent year over year to $1,122 (CoStar Group). Recent additions to the apartment market contributed to a rise in the apartment vacancy rate in the HMA. During the forecast period, demand is estimated for 1,000 new rental units. The 840 units under construction are expected to satisfy most of that demand.

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3-Year Housing Demand Forecast

		Sales Units	Rental Units
Lafayette HMA	Total Demand	5,775	1,000
	Under Construction	660	840

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2025. The forecast period is January 1, 2025, to January 1, 2028.
Source: Estimates by the analyst

Economic Conditions

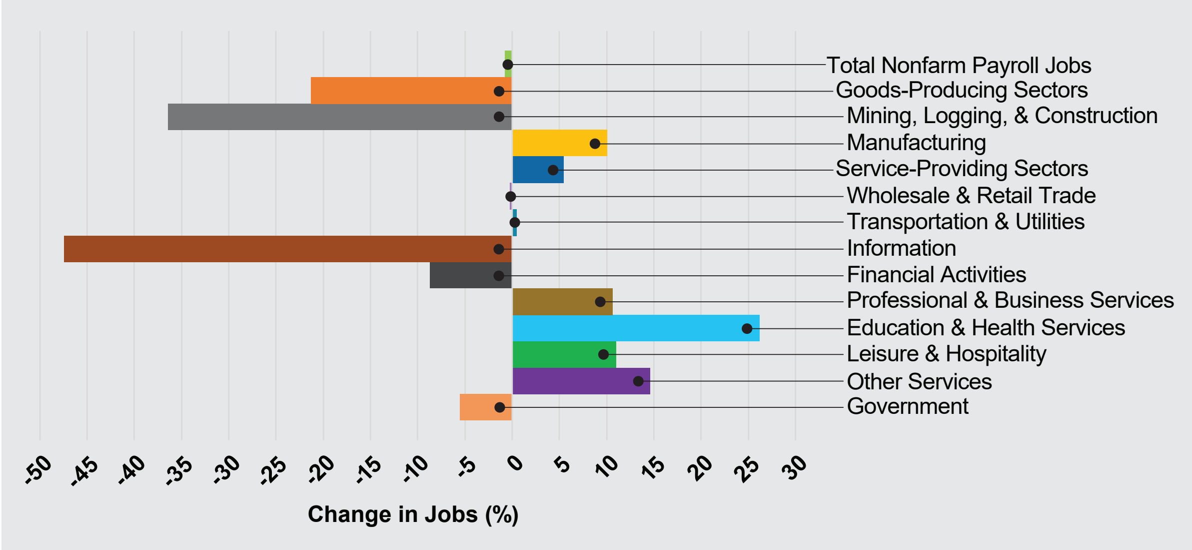
Largest Sector: Education and Health Services

> The education and health services sector surpassed the wholesale and retail trade sector in 2023 to become the largest sector in the Lafayette HMA and currently accounts for 36,800 jobs, or 18 percent of total nonfarm payrolls.

Primary Local Economic Factors

The goods-producing sectors include the mining, logging, and construction sector, which contains oil extraction activity, and the manufacturing sector, which is heavily enmeshed with the energy industry. Although the number of jobs in the goods-producing sectors has declined since the mid-2010s, those sectors continue to include high-paying jobs and indirectly support the larger service-providing sectors. The mining, logging, and construction sector accounted for approximately 16 percent of jobs in the HMA from 2010 through 2014, when oil prices were relatively high. The sector decreased to 10 percent of total payrolls in 2024 after significant job losses due to a period of sustained low prices. During 2010 through 2014, several service-providing sectors gained jobs, contributing to a more diversified economy. The education and health services sector has been the fastest growing employment sector since 2011 (Figure 1). This sector includes the two largest employers in the HMA, both in Lafayette Parish: Ochsner Lafayette General Medical Center and Our Lady of Lourdes Regional Medical Center (Table 1).

Figure 1. Sector Growth in the Lafayette HMA, 2011 to Current



Note: Current data are based on the 12-month averages ending 2024.
Source: U.S. Bureau of Labor Statistics

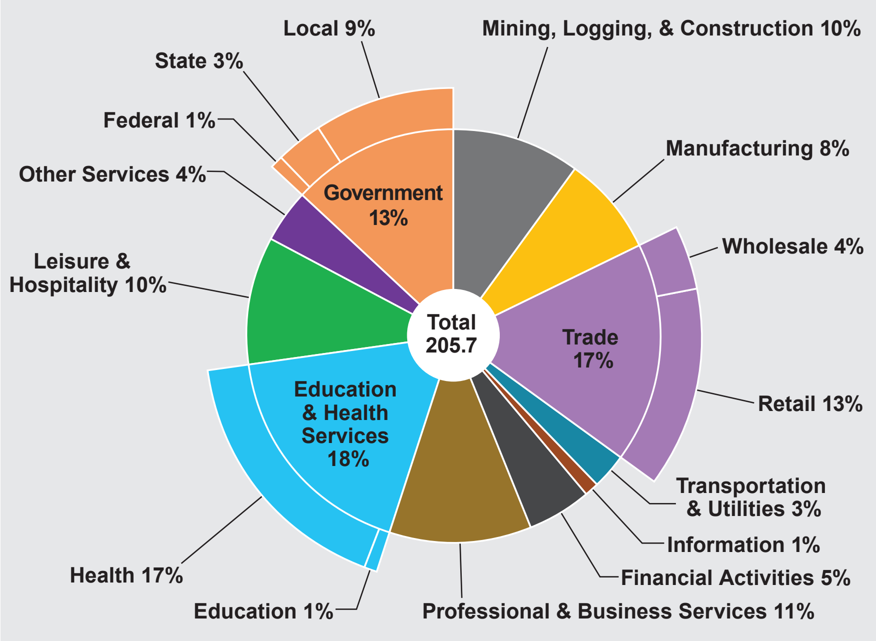
Table 1. Major Employers in the Lafayette HMA

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
Lafayette Consolidated Government	Government	2,200
Stuller, Inc.	Manufacturing	1,525
Amazon.com, Inc.	Wholesale & Retail Trade	1,300
Walmart Inc.	Wholesale & Retail Trade	1,200
Lafayette Parish Government	Government	820
LHC Group, Inc.	Education & Health Services	780
CGI Inc.	Professional & Business Services	730

Note: Excludes local school districts.
Source: Lafayette Economic Development Authority, 2023–24

The wholesale and retail trade sector, the second largest payroll sector, accounts for 34,900 jobs in the HMA (Figure 2). Retailers with multiple locations throughout the HMA, such as Walmart Inc., and large distribution centers, such as Amazon.com, Inc., anchor the sector. The government sector, with 26,100 jobs, is the third largest sector in the HMA, partly because of the presence of UL Lafayette, which had an economic impact of $2.7 billion on Louisiana during the 2021–22 fiscal year (UL Lafayette).

Figure 2. Share of Nonfarm Payroll Jobs in the Lafayette HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through December 2024.
Source: U.S. Bureau of Labor Statistics

Current Conditions—Nonfarm Payrolls

During 2024, nonfarm payrolls in the HMA fully recovered and exceeded the level of jobs in 2019, before the pandemic. The HMA recovery lagged behind the nation, which recovered to prepandemic job counts in 2022. Nonfarm payrolls increased by 1,300 jobs, or 0.6 percent, in 2024, with gains in 6 of the 11 nonfarm payroll sectors (Table 2). By comparison, nonfarm payrolls increased by 2,500 jobs, or 1.2 percent, in 2023. The education and health services sector had the fastest growth during the past year, increasing by 1,700 jobs, or 4.8 percent, supported by an expansion at Ochsner Lafayette General Orthopedic Hospital. Those gains reflect an acceleration from 2023, when jobs in the sector rose 2.9 percent year over year. The other services sector includes a variety of industries, including repair services, such as auto shops, nonprofit and religious organizations, and personal services, such as nail salons. The sector increased by 300 jobs, or 3.9 percent, in 2024, similar to the increase a year earlier. The wholesale and retail trade sector increased by 200 jobs, or 0.6 percent, in 2024, contrasting with the loss of 400 jobs, or 1.1 percent, a year before. An expansion at jewelry maker Stuller, Inc. supported the manufacturing sector, which added 100 jobs, or 0.6 percent, year over year.

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Lafayette HMA, by Sector

	2023	2024	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**204.4**	**205.7**	**1.3**	**0.6**
Goods-Producing Sectors	37.5	37.6	0.1	0.3
Mining, Logging, & Construction	20.5	20.5	0.0	0.0
Manufacturing	17.1	17.2	0.1	0.6
Service-Providing Sectors	166.9	168.1	1.2	0.7
Wholesale & Retail Trade	34.7	34.9	0.2	0.6
Transportation & Utilities	6.3	6.4	0.1	1.6
Information	1.7	1.7	0.0	0.0
Financial Activities	10.9	10.8	-0.1	-0.9
Professional & Business Services	22.5	22.6	0.1	0.4
Education & Health Services	35.1	36.8	1.7	4.8
Leisure & Hospitality	21.7	20.9	-0.8	-3.7
Other Services	7.6	7.9	0.3	3.9
Government	26.3	26.1	-0.2	-0.8

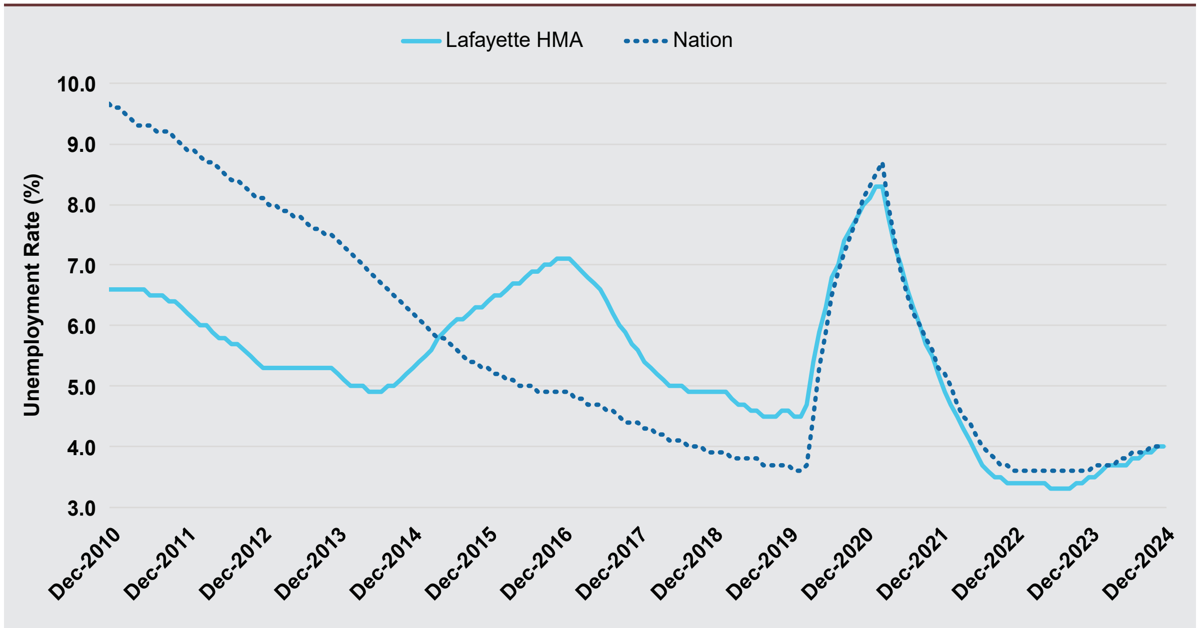
Notes: Based on 12-month averages through December 2023 and December 2024. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

By comparison, the sector added 900 jobs, or 5.6 percent, in 2023. Declines in three nonfarm payroll sectors partly offset job gains during the past year. The leisure and hospitality sector had the most severe declines, decreasing by 800 jobs, or 3.7 percent, because of several restaurant and other food establishment closures, including the Soda Pop Shop, Zero Degrees, and Sawa. For context, the sector added 300 jobs, or 1.4 percent, in 2023.

Current Conditions—Unemployment

The unemployment rate in the HMA averaged 4.0 percent during 2024, reflecting an increase from 3.5 percent in 2023 (Figure 3). The current unemployment rate in the HMA matches the national rate. Despite the unemployment rate increasing from the previous year, it remains below the recent peak of 8.3 percent during the 12 months ending March 2021. By comparison, the national unemployment rate peaked at 8.7 percent during the same period.

Figure 3. 12-Month Average Unemployment Rate in the Lafayette HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

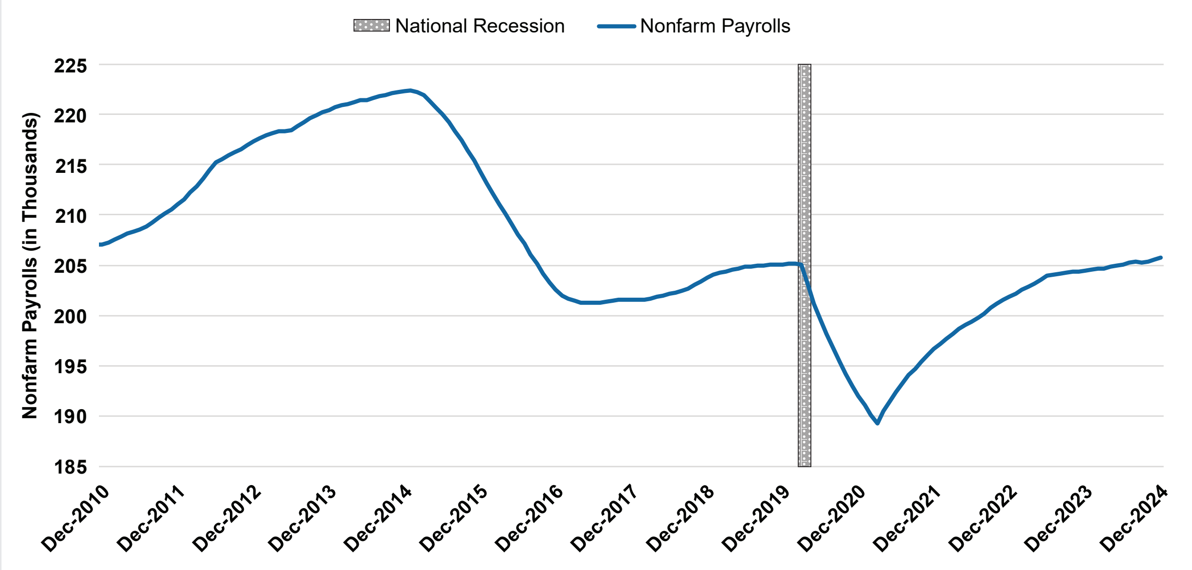
2011 Through 2014

The economy in the HMA improved from 2011 through 2014 after contracting during the Great Recession, recovering all jobs lost by 2012. Total nonfarm payrolls increased by an average of 3,800 jobs, or 1.8 percent, annually during the period (Figure 4). The manufacturing sector, which increased by an average of 1,200 jobs, or 6.8 percent, annually, had the largest gains. The professional and business services sector had the second largest gains, increasing by an average of 800 jobs, or 3.8 percent, annually. The leisure and hospitality sector also had strong gains, increasing by an average of 700 jobs, or 3.7 percent, annually. Oil production increased during the period as the price of oil began to rise, boosting the overall economy and contributing to gains in the mining, logging, and construction sector, which increased by an average of 600 jobs, or 2.0 percent, annually.

2015 Through 2017

The price of oil peaked in 2014 before declining in 2015 and 2016 and was low through 2017, contributing to weak economic conditions in the HMA. Oil prices dropped 50 percent from January 2014 to January 2015, with prices as low as $30.38 per barrel in February 2016 (West Texas Intermediate; International Monetary Fund). Total nonfarm payrolls decreased by an average of 6,900 jobs, or 3.2 percent, annually from 2015 through 2017. The goods-producing sectors accounted for 83 percent of the losses. The mining, logging, and construction sector had the greatest losses, decreasing by an average of 3,800 jobs, or 12.5 percent, annually as oil production fell drastically. The manufacturing sector also had strong losses, decreasing by an average of 1,800 jobs, or 10.0 percent, annually, partially because of losses among manufacturing companies that support the oil and gas industry. The professional and business services sector, which includes many services supporting the oil and gas industry, decreased by 1,000 jobs, or 4.6 percent, annually.

Figure 4. 12-Month Average Nonfarm Payrolls in the Lafayette HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

2018 Through 2019

The economy in the HMA began to recover in 2018 as oil prices began to rise. Total nonfarm payrolls increased by an average of 1,800 jobs, or 0.9 percent, annually in 2018 and 2019. The manufacturing sector added the most jobs during the period, increasing by 800 jobs, or 4.9 percent, annually. The education and health services sector increased by 700 jobs, or 2.2 percent, annually, partly because several Ochsner Health hospitals expanded, making additional medical services available to the community. The professional and business services sector increased by 600 jobs, or 2.9 percent, annually. During the period, CGI Inc., an information technology and business consulting service, hired 400 employees, partially offsetting losses in the information sector, which decreased by an average of 100 jobs, or 4.1 percent, annually. Despite rising oil prices, the mining, logging, and construction sector continued to decrease, falling by an average of 200 jobs, or 0.9 percent, annually.

2020

Interventions taken in mid-March 2020 to slow the spread of COVID-19 caused economic conditions in the HMA to weaken. Nonfarm payrolls declined by 13,100 jobs, or 6.4 percent, during 2020 compared with a 5.8-percent contraction nationally. Job losses were widespread in the HMA, with declines in every nonfarm payroll sector. The mining, logging, and construction sector had the greatest losses, decreasing by 2,700 jobs, or 11.8 percent, because falling demand for gasoline contributed to a steep decline in the price of oil during 2020. The leisure and hospitality sector had the second greatest losses, decreasing by 2,600 jobs, or 12.3 percent. On a percentage basis, the information sector had the largest decline of all employment sectors in the HMA during the period, decreasing by 400 jobs, or 17.4 percent.

2021 Through 2022

The economy of the HMA improved during 2021 and 2022, with total nonfarm payrolls increasing by an average of 5,000 jobs, or 2.5 percent, annually. The leisure and hospitality and the education and health services sectors had the strongest gains, increasing by respective averages of 1,400 and 1,100 jobs, or 7.3 and 3.2 percent, a year. Ochsner Lafayette General Medical Center expanded during this time, contributing to job gains in the education and health services sector. The manufacturing sector also had strong gains, increasing by an average of 800 jobs, or 5.3 percent, each year. An expansion at jewelry manufacturer Stuller, Inc., which added 100 jobs, and the openings of personal protective equipment manufacturer SafeSource Direct, LLC, which added 1,200 jobs, and commercial food manufacturing company Kibberia Foods LLC, which added 200 jobs, supported job gains in the manufacturing sector.

Forecast

During the next 3 years, nonfarm payrolls are expected to increase an average of 0.4 percent annually to 207,600 jobs as of January 1, 2028. The construction of a new $1.1 billion First Solar, Inc. facility is expected to be complete in 2026 and will contribute to gains in the manufacturing sector. Growth is expected to be slightly stronger during the first 2 years of the 3-year forecast period.

Population and Households

Current Population: 484,800

The Lafayette HMA has had net in-migration since April 2020 after a sustained trend of net out-migration from July 2015 to April 2020.

Population Trends

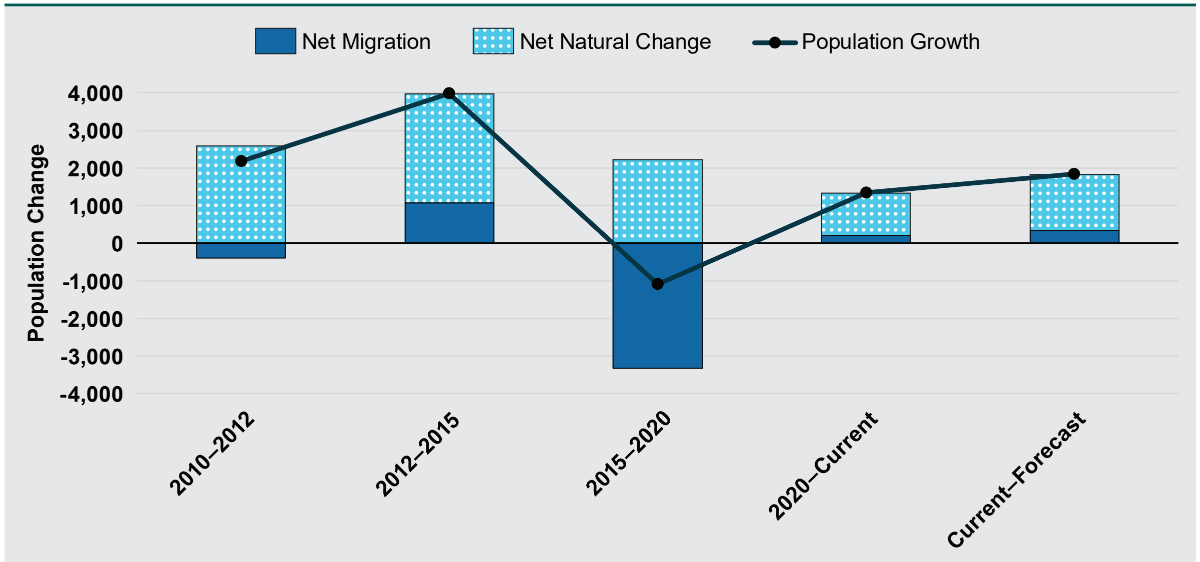
The estimated population of the HMA is 484,800 as of January 1, 2025, representing an average increase of 1,350, or 0.3 percent, annually since April 2020, including the average net in-migration of 230 people annually (Table 3). Population growth was much faster during the early 2010s, partly because of rapidly improving economic conditions in the HMA and higher levels of net natural increase. From 2010 to 2012, when the economy began to recover following the Great Recession, the population increased by an average of 2,200, or 0.5 percent, annually. Net out-migration averaged 480 people annually during 2010 to 2012, limiting population growth (Figure 5), but growth accelerated as the economy continued improving. From 2012 to 2015, the population increased by an average of 3,975, or 0.8 percent, annually, with average net in-migration reaching 1,075 annually, the strongest level of net in-migration in any period since 2010. However, economic conditions weakened in 2015, and the HMA began to lose population because workers left the area in search of better job opportunities. The population decreased from 2015 to 2020 by an average of 1,100, or 0.2 percent, annually, with a net out-migration of 3,325 people a year, representing the highest level of net out-migration during any period since 2010.

Table 3. Lafayette HMA Population and Household Quick Facts

		2020	Current	Forecast
Population Quick Facts	**Population**	478,384	484,800	490,400
	Average Annual Change	1,175	1,350	1,850
	Percentage Change	0.2	0.3	0.4
		2020	**Current**	**Forecast**
Household Quick Facts	**Households**	188,906	197,200	201,900
	Average Annual Change	1,125	1,750	1,575
	Percentage Change	0.6	0.9	0.8

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is the current date (January 1, 2025) to January 1, 2028.
Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 5. Components of Population Change in the Lafayette HMA, 2010 Through the Forecast Period

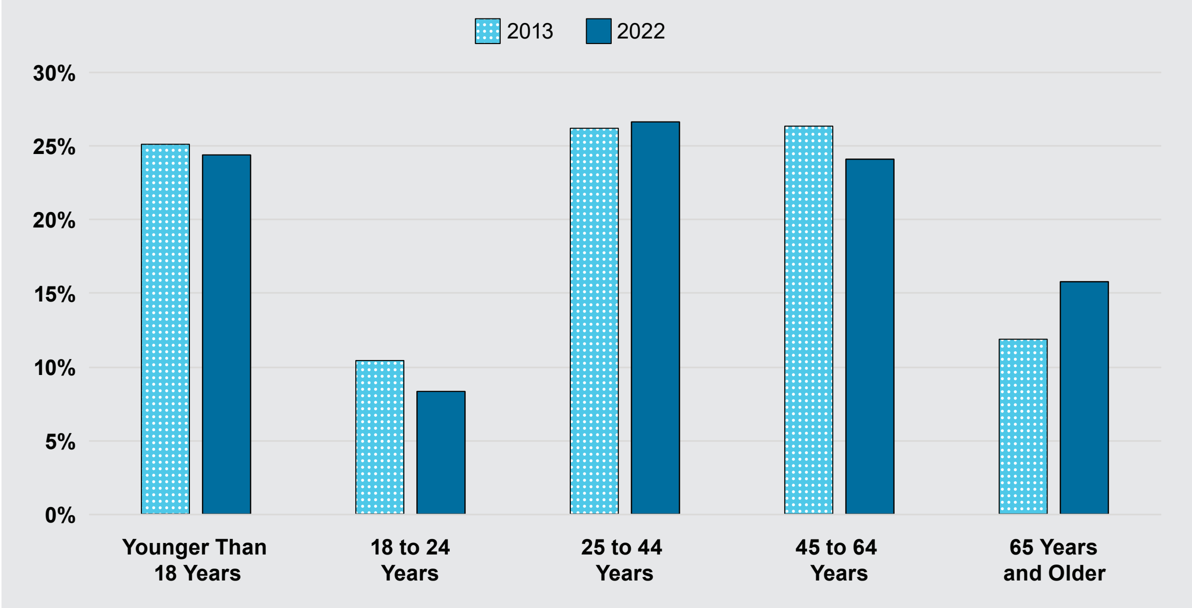


Notes: Data displayed are average annual totals. The forecast period is the current date (January 1, 2025) to January 1, 2028.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

Age Cohort Trends

The HMA has an increasing number of people aged 65 and older, similar to national trends. The fastest growing cohort in the HMA, people aged 65 and older, accounted for approximately 16 percent of the population in 2022, up from 12 percent in 2013 (American Community Survey [ACS] 1-year data; Figure 6). By comparison, the national population in this age cohort was 17 percent of the population in 2022, up from 14 percent in 2013. The age cohort of people younger than 18 in the HMA decreased slightly from 25 percent in 2013 to 24 percent in 2022. From 2013 to 2022, the median age in the HMA increased from 35.2 to 38.1 years. By comparison, the national median age increased from 37.5 to 39.0 years.

Figure 6. Share of Population by Age Range in the Lafayette HMA



Source: 2013 and 2022 American Community Survey 1-year data

Student Households

Student enrollment at UL Lafayette totaled 15,650 during the fall of 2024, an increase of more than 2 percent from the previous year. By comparison, student enrollment decreased during the fall semesters of 2021 and 2022, falling 1 and 6 percent year over year, respectively. Among the students enrolled at UL Lafayette during the fall of 2024, an estimated 73 percent lived off campus (*U.S. News & World Report*). Because such a high percentage of students live off campus, student households account for an estimated 6 percent of all renter households in the HMA.

Household Trends

Household growth in the HMA has outpaced population growth trends since 2010. The number of households is currently estimated at 197,200, representing an average increase of 1,750 households, or 0.9 percent, annually since 2020, triple the rate of average annual population growth during the same period. By comparison, the number of households increased by an average of 1,125, or 0.6 percent, annually during the 2010s, faster than the average annual population growth of 0.2 percent during the period. An increase in new household formation following the start of the pandemic has contributed to the faster pace of household growth since 2020. The number of people living in dormitories decreased rapidly, partially attributed to social distancing orders, with some students choosing to enter the rental market within the HMA, contributing to the increase in household formations. The increasing proportion of residents aged 65 and older, who tend to have smaller households, was another contributing factor. From 2019 to 2022, the number of one-person renter households increased 33 percent compared with a 15-percent increase from 2013 to 2019 (ACS 1-year data).

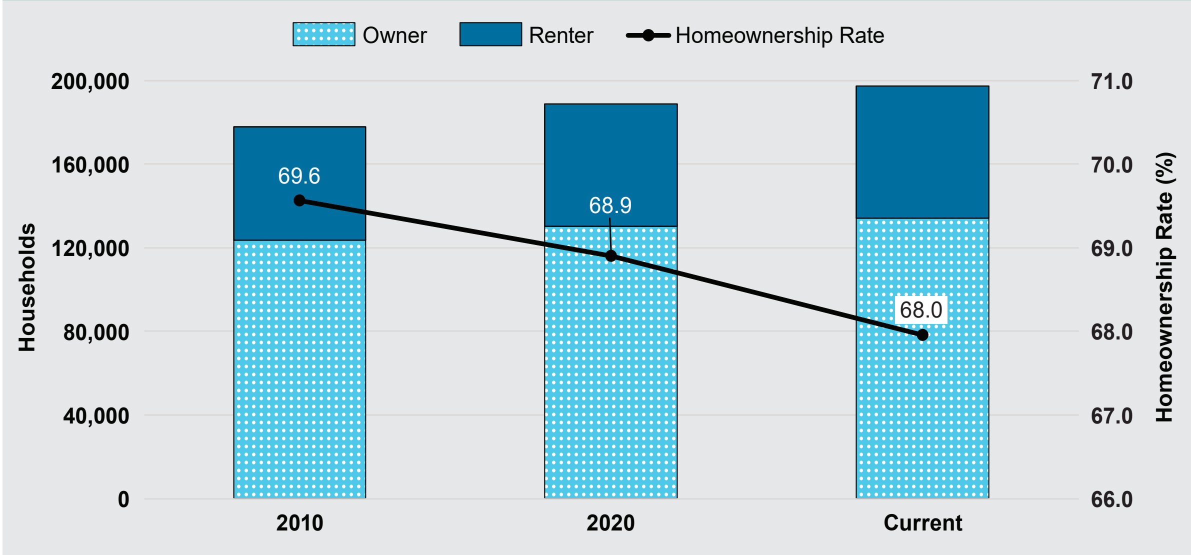
Households by Tenure

The current homeownership rate in the HMA is an estimated 68.0 percent, less than the 68.9- and 69.6-percent rates during 2020 and 2010, respectively (Figure 7). From 2010 to 2020, owner households accounted for 58 percent of total household growth. Trends have reversed since 2020, with renter households accounting for 54 percent of total household growth in the HMA. That reversal has contributed to the declining homeownership rate, partly because homebuying costs have risen since mortgage rates started increasing sharply in 2022.

Forecast

The pace of population growth in the HMA is expected to accelerate slightly during the 3-year forecast. The population is expected to increase an average of 0.4 percent annually to 490,400 as of January 1, 2028. Households are expected to increase during the forecast period by an average of 0.8 percent annually to 201,900 households. Despite slower growth compared with the period since 2020, household growth will continue to outpace population growth.

Figure 7. Households by Tenure and Homeownership Rate in the Lafayette HMA



Note: The current date is January 1, 2025.
Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

Home Sales Market

Market Conditions: Slightly Soft

Home sales increased during the past year but were much lower than the recent peak of 7,250 during the 12 months ending March 2022 because rising mortgage rates have tempered the demand for homes.

Current Conditions

The sales housing market in the Lafayette HMA is slightly soft, with an estimated sales vacancy rate of 1.9 percent, up from 1.4 percent in April 2020, when market conditions were slightly tight (Table 4). During 2024, home sales increased 3 percent year over year to 4,650 homes sold compared with 2023, when home sales decreased 29 percent to 4,525 homes sold (Zonda). During 2024, the average home sales price decreased 5 percent to $247,800, following a 5-percent increase in 2023. The supply of homes for sale in the HMA was 4.4 months during December 2024, a slight increase from 4.2 months during December 2023 and much higher than the 2.7-month supply during December 2022 (Redfin, a national real estate brokerage).

Existing Home Sales and Prices

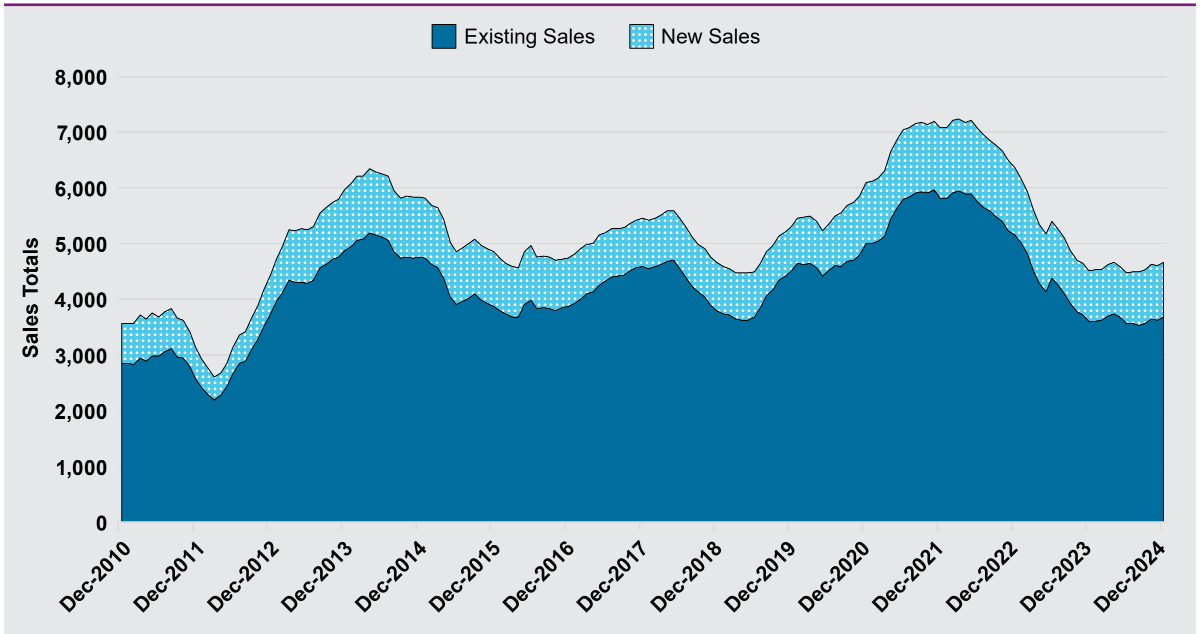
The number of existing home sales decreased by 300 homes, or 10 percent, during 2011, when the HMA had net out-migration following the Great Recession (Figure 8). Home sales trended upward as the economy improved and net in-migration

Table 4. Home Sales Quick Facts in the Lafayette HMA

		Lafayette HMA	Nation
Home Sales Quick Facts	**Vacancy Rate**	1.9%	NA
	Months of Inventory	4.4	2.8
	Total Home Sales	4,650	4,892,000
	1-Year Change	3%	-2%
	Total Home Sales Price	$247,800	$477,000
	1-Year Change	-5%	6%
	Mortgage Delinquency Rate	2.0%	1.0%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2024; and months of inventory and mortgage delinquency data are as of December 2024. The current date is January 1, 2025.
Sources: Vacancy rate—estimates by the analyst; months of inventory—Redfin, a national real estate brokerage; mortgage delinquency rate—CoreLogic, Inc.; home sales and prices—Zonda

Figure 8. 12-Month Sales Totals by Type in the Lafayette HMA

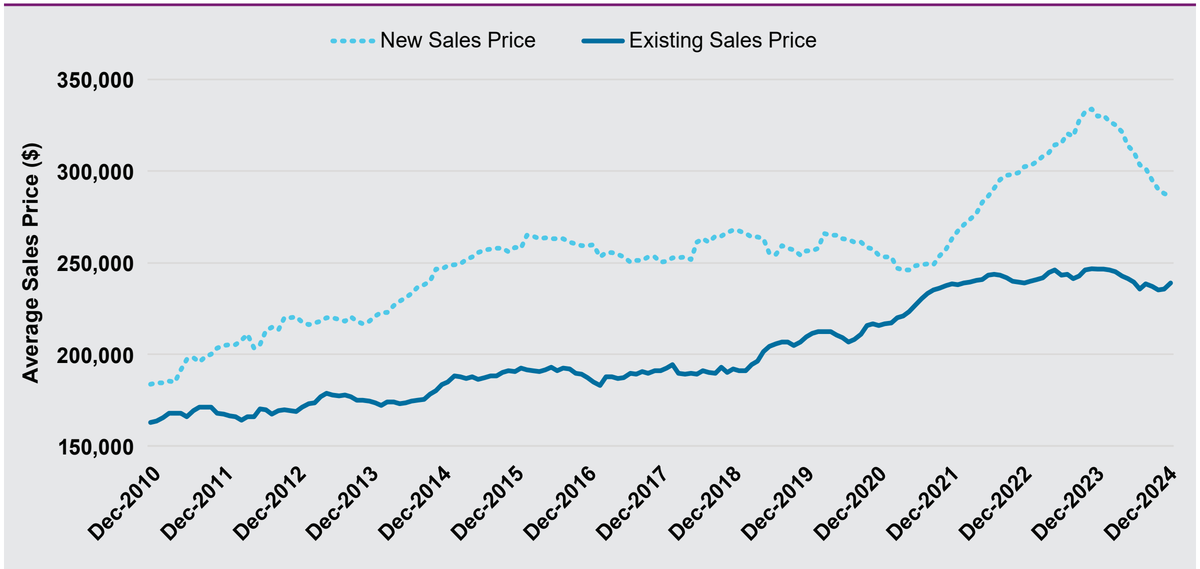


Source: Zonda

commenced. In 2012 and 2013, existing home sales increased rapidly, up by an average of 1,150 homes, or 38 percent, each year. Existing home sales were more stable from 2014 through 2019, averaging 4,225 homes a year, and sales fluctuated within a range from 3,625 to 4,750 existing homes annually. Existing home sales increased by an average of 650 homes, or 14 percent, annually during 2020 and 2021 because demand was strong when mortgage interest rates reached new lows—declining from 3.1 percent in 2020 to 2.9 percent in 2021 (Freddie Mac). Both home prices and mortgage interest rates have trended upward since 2022, tempering demand as the cost of homeownership increased. In 2022 and 2023, home sales decreased by an average of 1,100 homes, or 21 percent, annually to 4,525 homes sold in 2023, when mortgage interest rates reached a high of 6.8 percent. Home sales rose slightly during 2024, increasing by 75 homes, or 2 percent, to 3,675 homes sold.

Despite fluctuations, existing home prices generally trended upward during the 2010s (Figure 9). Existing home prices averaged $162,900 during 2010, and from 2011 through 2019 prices increased by an average of $5,200, or 3 percent, annually to $209,700. During 2020 and 2021, existing home prices increased by an average of $14,500, or 7 percent, annually to $238,600 because of increased demand. Growth in existing home prices slowed to $3,950, or 2 percent, annually in 2022 and

Figure 9. 12-Month Average Sales Price by Type of Sale in the Lafayette HMA



Source: Zonda

2023 because home sales demand weakened when mortgage interest rates rose. Despite a small increase in sales during the past year, existing home prices have fallen, decreasing during 2024 by $7,725, or 3 percent, to $238,800.

New Home Sales and Prices

New home sales fell sharply during 2011, decreasing by 150 homes, or 21 percent, when the economy was still weak from the Great Recession. New home sales increased when economic conditions improved and net in-migration began, rising by an average of 270 homes sold, or 40 percent, annually during 2012 and 2013. Subsequently, new home sales generally trended downward from 2014 through 2019, decreasing from 1,100 homes in 2013 to 790 homes in 2019, or nearly 6 percent a year. The demand for new homes increased in 2020 and 2021 and new home sales increased by an average of 230 homes, or 26 percent, annually. Sales began to fall as mortgage interest rates increased. During 2022 and 2023, new home sales decreased by an average of 170 homes, or 15 percent, annually. New home sales increased by 65 homes, or 7 percent, to 980 homes sold during 2024.

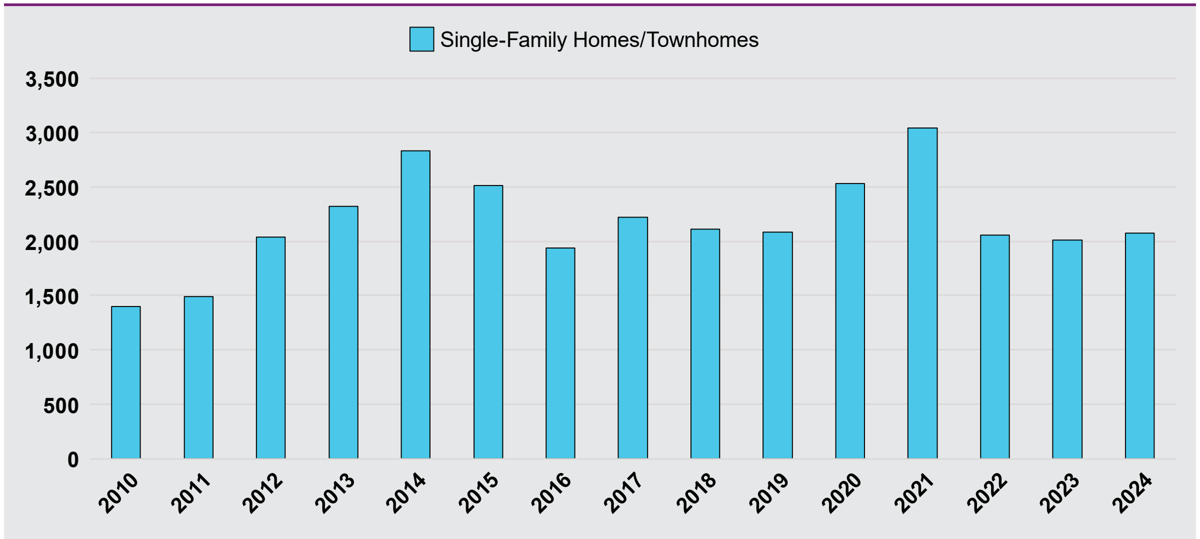
Despite falling sales, new home prices rose during 2011, increasing by $20,850, or 11 percent, to $204,800. New home price growth slowed from 2012 through 2019 to an average of $6,450, or less than 3 percent, a year to $256,500. New home price growth slowed further during the subsequent 2 years, increasing by an average of $3,425, or 1 percent, annually in 2020 and 2021. New home price growth accelerated in 2022 and 2023 to an average of 12 percent, or $33,300, annually to $329,900. However, new home prices have since fallen, decreasing during 2024 by $43,650, or 13 percent, to $286,200.

Sales Construction

New home construction activity, as measured by the number of single-family homes and townhomes permitted (see building permits), has fluctuated since 2010 (Figure 10). Permitting activity has exceeded new home sales in the HMA since at least 2010, partly because permitting in the parishes surrounding Lafayette Parish includes many homes custom-built by residents, which may not be included in new home sales. In Lafayette Parish, most new homes are built in developments, whereas in the more rural parishes, more of the permitting is for custom-built homes or tear-down and rebuild projects, where the transaction appears as an existing rather than new home sale. From 2011 through 2014, single-family permitting increased by an average of 360 homes, or 19 percent, annually when the economy improved and net in-migration occurred. Permitting began to fall when economic conditions worsened, and net out-migration surged. In 2015 and 2016, new home construction decreased by an average of 450 homes, or 17 percent, annually before stabilizing at an average of 2,150 homes permitted from 2017 through 2019. Mortgage interest rates began to decline toward the end of 2018 and continued to fall through 2021, contributing to increased demand for sales housing. As such, single-family permitting increased by an average of 480 homes, or 21 percent, annually during 2020 and 2021 before falling again by 990 homes permitted during 2022 to 2,050. New home construction was flat for the past 2 years, with an average of 2,050 homes permitted in 2023 and 2024.

New home construction occurs throughout the HMA but since 2010 has been concentrated in Lafayette Parish, notably in the cities of Broussard, Lafayette, Scott, and Youngsville. In 2024, approximately 76 percent of new home construction in the HMA was in Lafayette Parish. In the city of Lafayette, DSLD Homes began construction of the second phase at Savannah Pointe, with 142 three-bedroom homes planned at buildout and starting prices ranging from $183,990 to $197,990. Four homes are currently ready for move-in, and several homes are under construction.

Figure 10. Annual Sales Permitting Activity in the Lafayette HMA



Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

Forecast

During the next 3 years, demand in the HMA is expected for an estimated 5,775 homes (Table 5). The 660 homes currently under construction will satisfy a portion of the estimated demand during the 3-year forecast period. Demand is expected to be strongest during the first 2 years of the forecast period, when job growth is greatest.

Table 5. Demand for New Sales Units in the Lafayette HMA During the Forecast Period

Sales Units	
Demand	5,775 Units
Under Construction	660 Units

Note: The forecast period is January 1, 2025, to January 1, 2028.
Source: Estimates by the analyst

Rental Market

Market Conditions: Slightly Soft

Recent additions to the apartment market in the Lafayette HMA contributed to the rise in the apartment vacancy rate during the past year.

Current Conditions and Recent Trends

Rental market conditions in the HMA are currently slightly soft, with an estimated vacancy rate of 10.7 percent, down from 11.7 percent in 2020, when the market was soft (Table 6). Single-family homes make up a large portion of the rental market in the HMA. From 2019 through 2023, approximately 47 percent of renter households lived in single-family homes, whereas approximately 24 percent were in structures with five or more units, typically apartments (2019–2023 ACS 5-year data). During the fourth quarter of 2024, the apartment market was soft, with a vacancy rate of 11.2 percent, up from 8.5 percent as of the same period a year earlier (CoStar Group).

Single-Family Rental Market

From 2018 through 2022, detached homes accounted for approximately 94 percent of the occupied single-family rental stock in the HMA, and attached homes accounted for 6 percent (2022 ACS 5-year data). Since 2013, the vacancy rate for professionally managed, single-family rentals—which represent a small portion of all single-family homes for rent in the HMA—has ranged from 2.6 to 3.7 percent (CoreLogic, Inc.). The vacancy rate averaged 3.7 percent in December 2024, up 0.1 percentage point from December 2023. The average rent for a detached, three-bedroom, single-family home increased 8 percent to $2,085 in December 2024 compared with December 2023.

Apartment Market

Apartment market conditions have been mixed since the fourth quarter of 2010. The vacancy rate had small fluctuations during the early 2010s, falling from 6.2 percent as of the fourth quarter of 2010 to 5.7 percent as of the fourth quarter of 2014—a period with net in-migration as the economy improved from the Great Recession (Figure 11). The apartment market softened in 2015 when economic

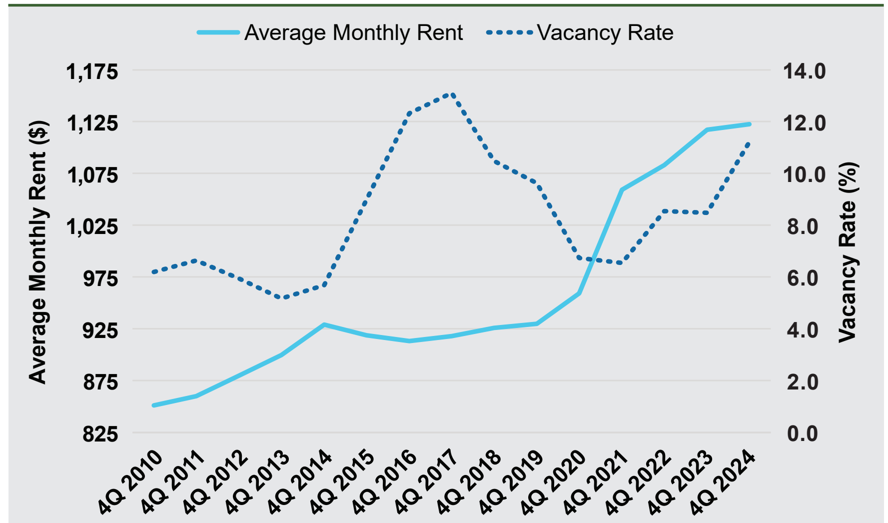
Table 6. Rental and Apartment Market Quick Facts in the Lafayette HMA

		2020 (%)	Current (%)
Rental Market Quick Facts	Rental Vacancy Rate	11.7	10.7
		2009–2013 (%)	2019–2023 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	45	47
	Multifamily (2–4 Units)	14	15
	Multifamily (5+ Units)	28	24
	Other (Including Mobile Homes)	13	14

		4Q 2024	YoY Change
Apartment Market Quick Facts	Apartment Vacancy Rate	11.2%	2.7
	Average Rent	$1,122	0%
	One-Bedroom	$974	0%
	Two-Bedroom	$1,150	1%
	Three-Bedroom	$1,553	1%

4Q = fourth quarter. YoY= year-over-year.
Notes: The current date is January 1, 2025. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2013 and 2023 American Community Survey 5-year data; apartment data—CoStar Group

Figure 11. Apartment Rents and Vacancy Rates in the Lafayette HMA



4Q = fourth quarter.
Source: CoStar Group

conditions deteriorated, and net out-migration occurred. By the fourth quarter of 2017, the vacancy rate was 13.1 percent, the highest vacancy rate since at least 2010. Net out-migration began to slow in 2018, contributing to improved apartment market conditions. By the fourth quarter of 2021, the apartment vacancy rate had decreased to 6.5 percent. Since 2021, apartment production has increased, contributing to the vacancy rate rising to 11.2 percent by the fourth quarter of 2024. During 2024, 860 units were completed in the HMA, whereas absorption was low, totaling 390 units.

During the 2010s, the average apartment rent increased at a moderate pace before accelerating during the early 2020s. The average rent increased at an average annual rate of 2 percent, from $851 as of the fourth quarter of 2010 to $929 as of the fourth quarter of 2014. However, apartment rents decreased from the fourth quarter of 2014 to the fourth quarter of 2017 by an average of less than 1 percent a year. As demand for apartments grew from the fourth quarters of 2017 to 2021, the average apartment rent rose an average of 4 percent annually—the fastest pace since 2010—to $1,059. Despite an increasing vacancy rate since 2021, apartment rents continued to grow, partly because new units with higher-priced rents entered the market. From the fourth quarters of 2021 to 2024, rents rose an average of 2 percent annually to $1,122.

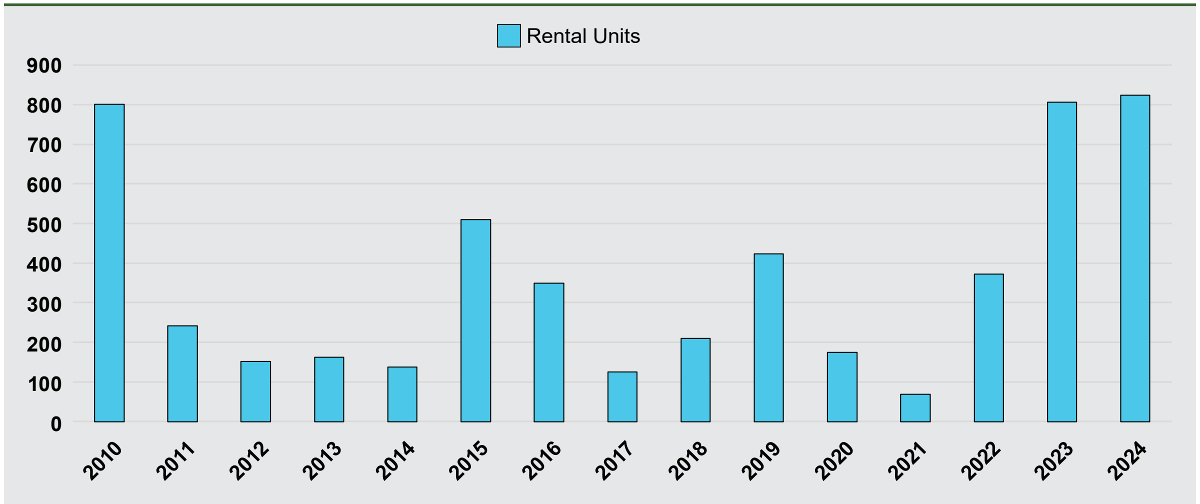
Student Apartment Market

The apartment market vacancy rate within a 2-mile radius of UL Lafayette is lower than in the HMA overall. The vacancy rate in this market area was 6.5 percent as of the fourth quarter of 2024, down from 10.3 percent a year earlier (CoStar Group). As of the fourth quarter of 2024, the vacancy rates for one-, two-, and three-bedroom apartments were 6.7, 6.5, and 5.0 percent, respectively. Asking rents in the market area are lower than in the HMA on average because the inventory of apartments is older. As of the fourth quarter of 2024, the average asking rent was $929, an increase of $23, or 3 percent, from a year ago. As of the fourth quarter of 2024, asking rents for one-, two-, and three-bedroom apartments were $890, $965, and $1,349, respectively.

Rental Construction

Rental construction activity in the HMA, as measured by the number of rental units permitted, has fluctuated since 2010, falling when market conditions soften and rising when conditions tighten (Figure 12). Rental construction was high during 2010, with 800 units permitted before falling by 560 units, or 70 percent, in 2011. The apartment market was relatively balanced from 2011 through 2014, with permitting averaging

Figure 12. Annual Rental Permitting Activity in the Lafayette HMA



Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

170 units annually. The number of multifamily units permitted increased to 510 units in 2015 before falling the next 2 years to 130 units permitted in 2017. As the economy improved and the apartment market vacancy rate decreased, construction activity increased by an average of 150 units, or 74 percent, annually during 2018 and 2019. Supply chain constraints, in the midst of the pandemic, contributed to low levels of rental construction in 2020 and 2021, with permitting decreasing by an average of 180 units, or 60 percent, annually. Permitting has since risen, increasing by an average of 370 units annually during 2022 and 2023 to 810 units. Permitting increased slightly in 2024 to 820 multifamily units (preliminary data, with adjustments by the analyst).

Several apartment developments are under construction in the HMA, including in the cities of Lafayette, Scott, and Youngsville. The 216-unit Waters at West Village opened in the city of Scott in May 2024, with rents starting at $1,336, $1,545, and $1,981 for one-, two-, and three-bedroom units, respectively. The Waters at Settlers Trace also opened in May 2024 in the city of Lafayette, with rents starting at $1,448, $1,853, and $1,933 for one-, two-, and three-bedroom units, respectively.

Forecast

Demand is estimated for 1,000 new rental units in the HMA during the 3-year forecast period and is expected to be relatively stable during each year (Table 7). The 840 units currently under construction are expected to satisfy demand through the second year of the forecast period.

Table 7. Demand for New Rental Units in the Lafayette HMA During the Forecast Period

	Rental Units
Demand	1,000 Units
Under Construction	840 Units

Note: The forecast period is January 1, 2025, to January 1, 2028.
Source: 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.
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.
Existing Home Sales	Includes regular resales and real estate owned sales. Regular 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 and include short sales.
Forecast Period	1/1/2025–1/1/2028—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births are greater than resident deaths.

Rental Market/ Rental Vacancy Rate	**Includes apartments and other rental units such as single-family, multifamily, and mobile homes.**

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.**
2.	**Urbanized areas are defined using the U.S. Census Bureau's 2020 Census Urban and Rural Classification and the Urban Area Criteria.**
3.	**The census tracts referenced in this report are from the 2020 Census.**

C. Additional Notes

1.	**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.**
2.	**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.**

D. Photo/Map Credits

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