

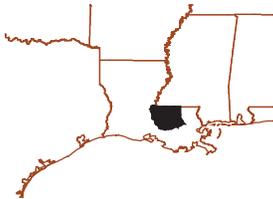


Baton Rouge, Louisiana

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of January 1, 2010



Housing Market Area



The Baton Rouge, Louisiana Housing Market Area (HMA) consists of nine parishes located in southeast Louisiana and is bisected by the Mississippi River. For purposes of this analysis, the HMA is divided into two submarkets: the East Baton Rouge Parish submarket, which includes the state capital city of Baton Rouge, and the Remainder submarket, which consists of Ascension, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, West Baton Rouge, and West Feliciana Parishes.

Market Details

- Economic Conditions 2
- Population and Households ... 4
- Housing Market Trends 6
- Data Profiles 11

Summary

Economy

Annual employment declines began in the Baton Rouge HMA in 2009 after 7 years of job growth. During 2009, nonfarm employment declined by 0.6 percent, or 2,100 jobs, to 373,000 jobs compared with job growth of 0.6 percent during 2008. Nonfarm employment is expected to decline by an additional 1 percent during the first year of the forecast. A modest recovery is expected in years 2 and 3, with nonfarm growth averaging 0.5 percent annually. Table DP-1 at the end of this report provides employment data for the HMA.

Sales Market

Recent declines in home sales coupled with continued, although moderated, homebuilding activity have led to soft home sales market conditions in the Baton Rouge HMA. The current sales vacancy rate for the area is estimated

at 2.3 percent, up from 1.5 percent in 2000 and 1.3 percent reported in the 2007 American Community Survey (ACS). Demand is expected for 5,340 new homes during the forecast period, as shown in Table 1. A portion of the demand will be satisfied by the 870 homes currently under construction.

Rental Market

The rental housing market in the Baton Rouge HMA is soft because of the large number of new units constructed since Hurricane Katrina in 2005. The overall rental home vacancy rate for the area is currently estimated at 10.5 percent, up from 9.9 percent in 2000 and 6.4 percent during the 2007 ACS. Demand is expected for 600 additional market-rate rental units during the forecast period, as shown in Table 1. More than one-half of the rental housing demand will be satisfied by the 330 rental units currently under construction.

Table 1. Housing Demand in the Baton Rouge HMA, 3-Year Forecast, January 1, 2010 to January 1, 2013

	Baton Rouge HMA		East Baton Rouge Parish Submarket		Remainder Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total Demand	5,340	600	690	0	4,650	600
Under Construction	870	330	360	210	510	120

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2010. A portion of the estimated 26,100 other vacant units in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

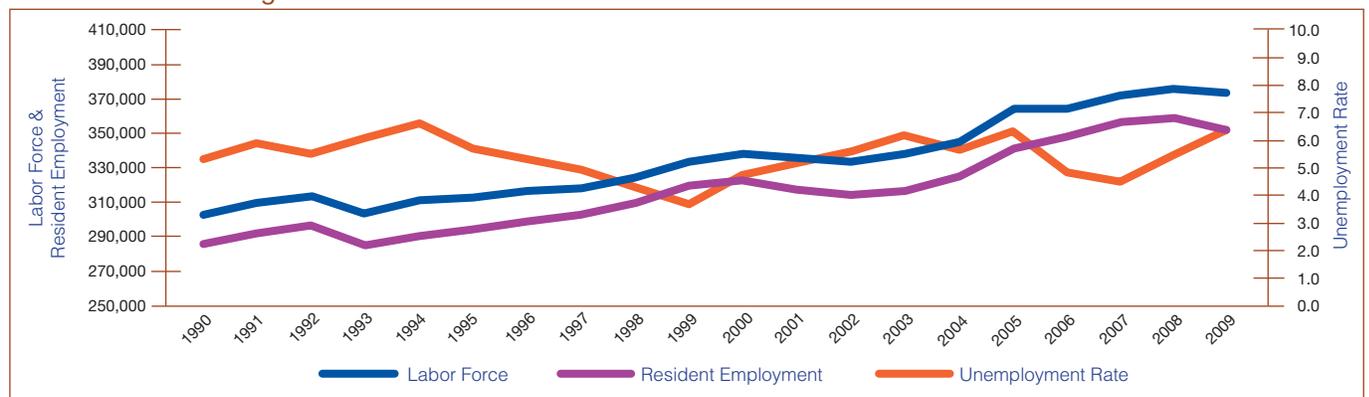
Economic Conditions

Resident employment growth in the Baton Rouge HMA has slowed in recent months. In 2009, resident employment declined by 2.7 percent, or 9,750 workers, to a total of 351,000 compared with a growth of 0.8 percent, or 2,725 workers, during 2008. The unemployment rate in the HMA rose from 4.5 to 6.3 percent during the 12 months ending December 2009. Figure 1 shows trends in labor force, resident employment, and unemployment rates since 1990.

Nonfarm employment growth has also continued to slow in the Baton Rouge HMA since reaching a peak

rate of 3.7 percent, which equated to an increase of 13,300 jobs, during the 12 months ending March 2008. With the area being affected by the national recession, total nonfarm employment declined by 2,100 jobs, or 0.6 percent, during 2009 to 373,000 jobs (see Table 2). Employment gains, which primarily occurred in the construction and the education and health services sectors, were more than offset by losses in the other sectors in 2009. The largest decline occurred in the professional and business services sector, which fell by 2,400 jobs, or 5.1 percent, in 2009.

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Baton Rouge HMA, 1990 Through 2009



Source: U.S. Bureau of Labor Statistics

Table 2. 12-Month Average Employment in the Baton Rouge HMA, by Sector

	12 Months Ending December 2008	12 Months Ending December 2009	Percent Change
Total Covered Employment	375,100	373,000	- 0.6
Goods Producing	68,000	68,700	1.0
Mining & Logging	42,200	43,700	3.6
Construction	25,800	25,000	- 3.1
Manufacturing	307,100	304,300	- 0.9
Service Providing	54,500	54,200	- 0.6
Wholesale & Retail Trade	12,600	12,800	1.6
Transportation & Utilities	5,800	5,000	- 13.8
Information	18,300	18,200	- 0.5
Financial Activities	46,700	44,300	- 5.1
Professional & Business Services	45,400	47,100	3.7
Education & Health Services	33,100	32,600	- 1.5
Leisure & Hospitality	13,600	13,100	- 3.7
Other Services	77,100	77,100	0.0
Government	360,600	365,100	1.2

Notes: Based on 12-month averages through December 2008 and December 2009. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

The fastest growing employment sector in 2009 was the education and health services sector, the third largest sector as shown in Figure 2, which gained 1,700 jobs, or 3.7 percent. Most of the growth occurred in the health-care and social services subsector, partly because of the new construction and expansion of several hospital facilities. Classified in this subsector are 3 out of the top 10 leading employers in the HMA. Our Lady of the Lake Regional Medical Center is the fifth largest employer in the area, as shown in Table 3, and the largest private medical center in Louisiana with more than 700 licensed beds and 4,000 employees. Construction began in March 2010 on a \$16 million, 18,000-square-foot expansion of

Baton Rouge General Medical Center, the seventh largest employer in the HMA, with 3,000 workers.

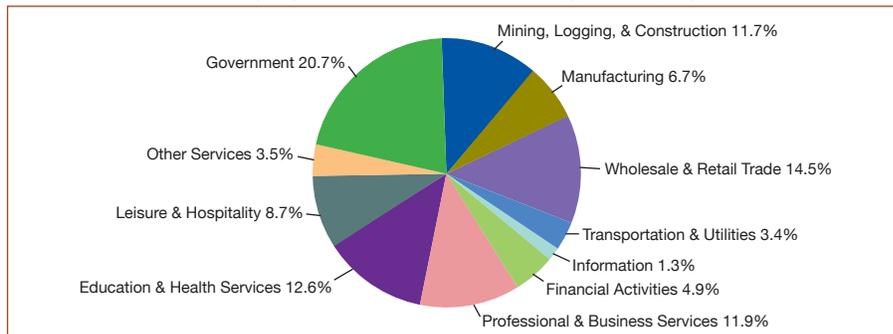
The mining, logging, and construction sector grew by 1,500 jobs, or 3.6 percent, in 2009. All of the growth occurred in the construction subsector, partly because of more than \$750 million in public and private sector projects in the Baton Rouge Downtown Development District. Projects include River Park, a development planned in downtown Baton Rouge that will include an outdoor concert venue, two hotels, restaurants, shops, apartments, and a public boardwalk on the Mississippi River. The project has a 10- to 15-year development plan; construction on local roadways and infrastructure is currently under

way. Several other major construction projects currently under way in the HMA are associated with The Green Light Plan, a \$10-million transportation program to improve roadway infrastructure in East Baton Rouge Parish.

Because Baton Rouge is the state capital and the location of Louisiana State University (LSU), government is the largest employment sector in the HMA, accounting for more than 20 percent of all jobs. According to a March 2009 study by LSU, the university enrolls more than 28,000 students and employs 6,100 full-time and 9,400 part-time workers. The university is the largest employer in the HMA and has an annual economic impact of nearly \$1.2 billion on the Baton Rouge HMA, which is comparable to 3 percent of the HMA's gross domestic product. Other leading employers in the area include Turner Industries Group, L.L.C., an industrial construction and maintenance service company, and Exxon Mobil Corporation, which employ 8,325 and 4,275 workers, respectively. Figure 3 shows nonfarm employment growth for all sectors since 1990.

Nonfarm employment is expected to decline by 1 percent during the first year of the forecast period as the current economic downturn continues. During the second and third years of the forecast period, a modest recovery is anticipated with an estimated average growth of 0.5 percent annually. The construction subsector, education and health services sector, and government sector are estimated to lead employment growth; however, growth in the remaining sectors is expected to be well below levels recorded earlier in the decade.

Figure 2. Current Employment in the Baton Rouge HMA, by Sector



Note: Based on 12-month averages through December 2009.

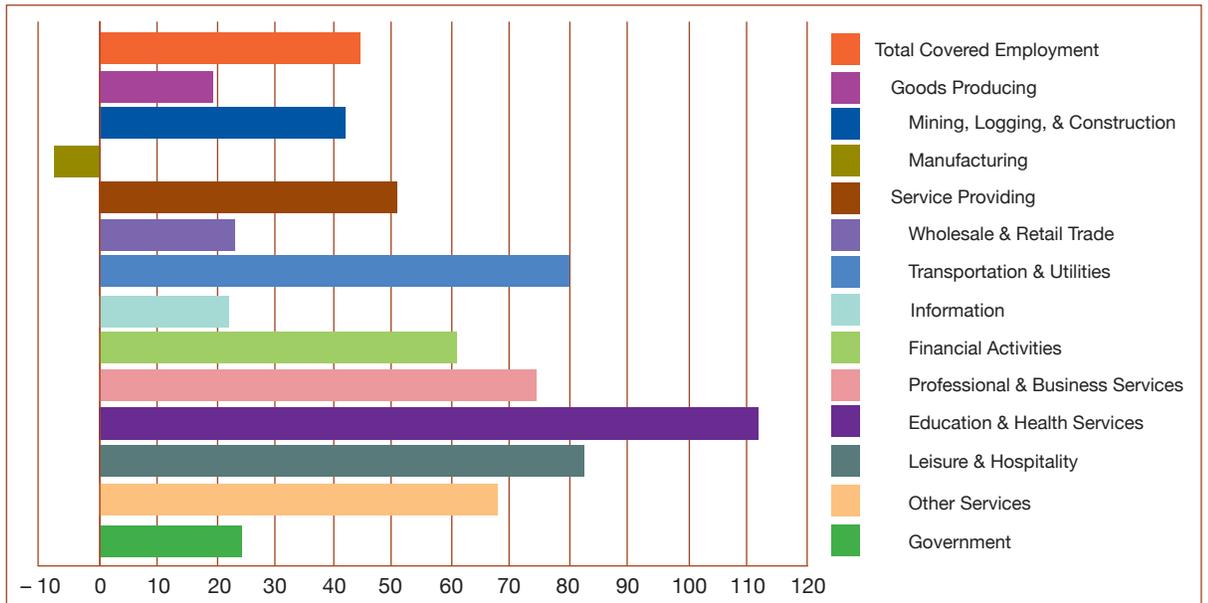
Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Baton Rouge HMA

Name of Employer	Employment Sector	Number of Employees
Louisiana State University	Government	15,550
Turner Industries Group, L.L.C.	Financial Activities	8,325
Exxon Mobil Corporation	Manufacturing	4,275
The Shaw Group Inc.	Professional & Business Services	4,250
Our Lady of the Lake Regional Medical Center	Education & Health Services	4,000
Performance Contractors, Inc.	Mining, Logging, & Construction	3,300
Baton Rouge General Medical Center	Education & Health Services	3,000
The Dow Chemical Company	Manufacturing	2,200
Wal-Mart Stores, Inc.	Trade	2,100
Ochsner Health System	Education & Health Services	2,000

Note: Data for Louisiana State University include 6,150 full-time and 9,400 part-time workers.

Sources: Baton Rouge Area Chamber; Louisiana State University

Figure 3. Sector Growth in the Baton Rouge HMA, Percentage Change, 1990 to Current

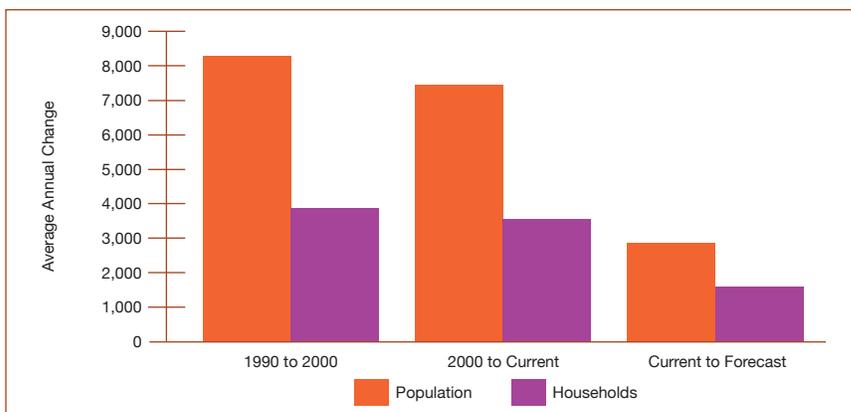
Note: Current is based on 12-month averages through December 2009.

Source: U.S. Bureau of Labor Statistics

Population and Households

The population of the Baton Rouge HMA has increased by 7,475, or 1 percent, annually since 2000 to a current estimate of 778,800 (see Figure 4). Net in-migration accounted for slightly more than one-third of the population increase since 2000, as shown in Figure 5. The effects

of Hurricane Katrina, which made landfall in New Orleans, Louisiana, in August 2005, significantly increased migration into the Baton Rouge HMA, because many evacuees relocated to the city of Baton Rouge and surrounding areas. Between 2000 and mid-2005, net out-migration from the Baton Rouge HMA averaged 160 people annually. Between mid-2005 and mid-2006, following the occurrence of Hurricane Katrina, net in-migration to the Baton Rouge HMA increased to 29,750 people. Since that time, as the economy has slowed and some of the Hurricane Katrina evacuees have left the area, the trend has returned to a net out-migration. Since mid-2006, the population of the Baton Rouge HMA has increased by an average of 4,350, or 0.6 percent, annually, and net out-migration has averaged 760 people.

Figure 4. Population and Household Growth in the Baton Rouge HMA, 1990 to Forecast

Sources: 1990 and 2000—1990 Census and 2000 Census; current and forecast—estimates by analyst

The East Baton Rouge submarket absorbed approximately two-thirds of

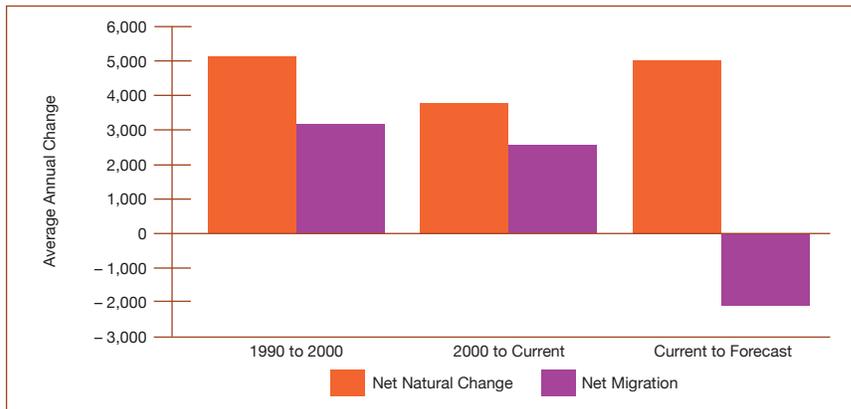
the Hurricane Katrina evacuees who migrated to the Baton Rouge HMA. Before Hurricane Katrina occurred, East Baton Rouge Parish had an average annual population decline of 0.6 percent, including a net out-migration of 2,775 people between 2000 and mid-2005. In the year after Hurricane

Katrina, the population grew by 4.6 percent and net in-migration increased to 16,750. Since July 2006, net out-migration from the East Baton Rouge Parish submarket has resumed at an average rate of 3,500 people per year.

The fastest growing portion of the Baton Rouge HMA has been the Remainder submarket, particularly Ascension and Livingston Parishes. Since 2000, the population of this submarket has grown by an average of 1.9 percent, or 5,925, annually. The remaining one-third of Hurricane Katrina evacuees who relocated to the Baton Rouge HMA settled in this submarket, primarily in parts of Ascension and Livingston Parishes abutting the city of Baton Rouge. Population growth in this submarket has declined to an average of 5,150, or 1.5 percent, annually since July 2006, largely because of the slowing economy and departure of Hurricane Katrina evacuees.

Due to the continued economic slowdown and the sustained trickle of out-migration of Hurricane Katrina evacuees, population growth in the HMA is forecast to slow to 0.4 percent annually during the 3-year forecast period. East Baton Rouge Parish is expected to record a 0.1-percent population decline annually as net out-migration continues. Growth is expected to remain strongest in the Remainder submarket, which is forecast to increase by 0.9 percent annually, although net in-migration is expected to account for only 25 percent of this increase. Household growth in the HMA, which has averaged 1.3 percent annually since 2000, is also expected to slow to 0.6 percent, or 1,675 households, during the forecast period. Figures 6 and 7 illustrate the number of households, by tenure, in each of the submarkets from 1990 to the current date.

Figure 5. Components of Population Change in the Baton Rouge HMA, 1990 to Forecast



Sources: 1990 and 2000–1990 Census and 2000 Census; current and forecast—estimates by analyst

Figure 6. Number of Households by Tenure in the East Baton Rouge Parish Submarket, 1990 to Current



Sources: 1990 and 2000–1990 Census and 2000 Census; current—estimates by analyst

Figure 7. Number of Households by Tenure in the Remainder Submarket, 1990 to Current



Sources: 1990 and 2000–1990 Census and 2000 Census; current—estimates by analyst

Housing Market Trends

Sales Market—East Baton Rouge Parish Submarket

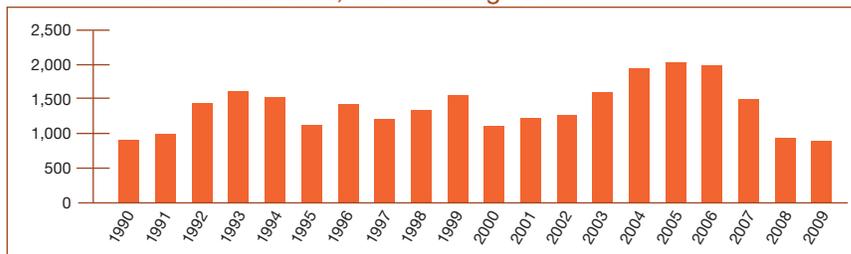
The sales housing market in the East Baton Rouge Parish submarket is soft, with a current estimated vacancy rate of 3.1 percent, up from 1.5 percent as reported in the 2000 Census and from 1.6 percent as reported in the 2007 ACS (see Table DP-2 at the end of this report). Sales housing vacancy rates have increased over the past 2 years as a result of declining demand and high levels of single-family home production.

Home sales have slowed significantly during the past 3 years because of a combination of stricter lending requirements, the continued economic downturn, and net out-migration. In addition, home sales rose to unusually high levels following the effects of Hurricane Katrina in 2005 and 2006 when a large number of evacuees moved to the area and purchased homes. The number of homes sold declined by 11 percent to 4,000 homes sold in 2009, according to data from the Greater Baton Rouge Association of REALTORS®. Home sales peaked at 7,600 during the 12 months ending August 2006 and have recorded consistent declines since that time, although the rate of decline began to slow during the last half of 2009. The average price of a home sold declined by nearly 7 percent to \$183,900 during 2009, following an increase of nearly 6 percent in 2008.

In response to the slowdown in home sales, single-family homebuilding activity, as measured by the number of single-family building permits issued, declined significantly during the past 3 years. Building activity peaked in 2005 at 2,100 homes, after growing steadily throughout the first half of the decade. Building activity has declined significantly since that time, however, as shown in Figure 8. During 2009, the number of single-family building permits issued declined by approximately 6 percent compared with the number of permits issued in 2008 and by nearly 40 percent compared with the number issued in 2007, based on preliminary data. In addition to the single-family permits issued, approximately 1,400 multifamily units permitted since 2000 were intended for owner occupancy. This number represents 15 percent of the total number of multifamily units permitted since 2000 in the East Baton Rouge Parish submarket.

During the next 3 years, demand is estimated for 690 new homes, including single-family homes, townhomes, and condominium units. Demand is expected to be concentrated in the last year of the forecast period, after the current supply of vacant units is absorbed and employment and household growth begin to return to typical levels. Builders should postpone construction until the end of the second year in anticipation of the estimated demand in the third year. Because of the current excess supply of vacant housing units and an expected slower rate of household growth during the forecast period, the demand for new housing units is expected to remain well below recent levels of production. Prices for new homes are expected to start at \$135,000. Some of the demand during the forecast period will be satisfied

Figure 8. Single-Family Building Permits Issued in the East Baton Rouge Parish Submarket, 1990 Through 2009



Notes: Includes only single-family units. Includes data through December 2009.

Source: U.S. Census Bureau, Building Permits Survey

Housing Market Trends

Sales Market—East Baton Rouge Parish Submarket *Continued*

Table 4. Estimated Demand for New Market-Rate Sales Housing in the East Baton Rouge Parish Submarket, January 1, 2010 to January 1, 2013

Price Range (\$)		Units of Demand	Percent of Total
From	To		
135,000	199,999	70	10.1
200,000	249,999	240	34.8
250,000	299,999	140	20.3
300,000	549,999	140	20.3
550,000	and higher	100	14.5

Source: Estimates by analyst

by the 360 homes currently under construction. In addition, a portion of the 12,500 other vacant units may come back on line and satisfy some of the demand. Table 4 presents detailed information on the estimated demand for new market-rate sales housing by price range in the East Baton Rouge Parish submarket during the forecast period.

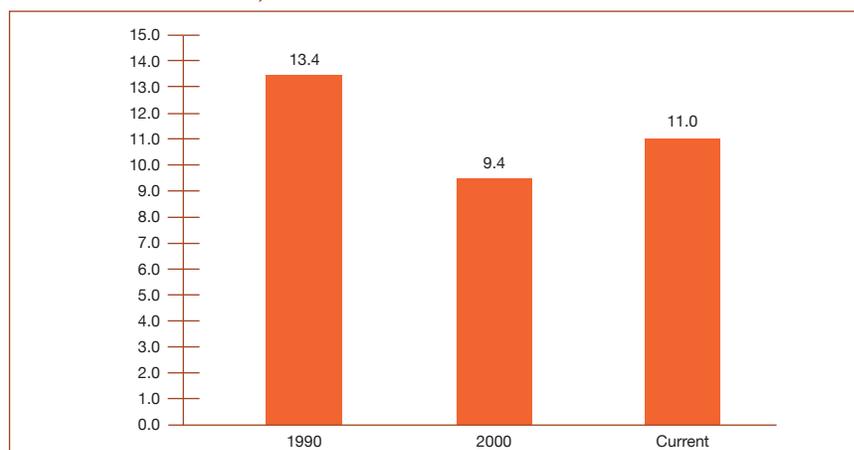
Rental Market—East Baton Rouge Parish Submarket

The rental housing market in the East Baton Rouge Parish submarket is soft, with an estimated current overall vacancy rate of 11 percent (see Figure 9), up from the 9.4-percent rate reported in the 2000 Census and the 6.4-percent rate reported in the 2007 ACS. The Baton Rouge Apartment Association, Inc., reported an apartment vacancy rate of 6.9 percent in East Baton Rouge Parish in January 2010, up from the 2.1-percent rate in January 2009. In addition, during 2009, concessions, such as 1 month of free rent, have become increasingly common in the market, particularly among Class A properties. Traditional apartments in structures with five or more units comprise less than one-half of the available rental units in the submarket. The remainder of the rental market consists of primarily single-family,

condominium, and mobile home rental units. Despite the tightening that occurred after a large number of Hurricane Katrina evacuees relocated to the submarket in 2006, the rental market has softened because the supply of new units outpaced demand after many evacuees returned to New Orleans and other areas.

LSU has a large impact on the rental housing market in the East Baton Rouge Parish submarket. The university currently enrolls approximately 28,000 students and had been considering implementing a policy requiring first-year students to live on campus beginning in 2009. The residency policy is being postponed until at least 2012, however, because of an estimated increase in the number of students and a shortage of on-campus housing. Currently, LSU provides on-campus housing space for approximately 4,000 students in 17 dormitories and in several student and family apartments. Many of the remaining 24,000 students choose to live in off-campus apartment housing near the university. Campus Apartments, the largest provider of off-campus student housing in the Baton Rouge area, with three complexes totaling 1,508 beds, is developing more than 30,000 square feet of retail space a block from the LSU campus. The project, which will serve students on and off campus, is 70 percent preleased and is expected to be completed by the fall of 2010.

Figure 9. Rental Vacancy Rates in the East Baton Rouge Parish Submarket, 1990 to Current



Sources: 1990 and 2000—1990 Census and 2000 Census; current—estimates by analyst

Housing Market Trends

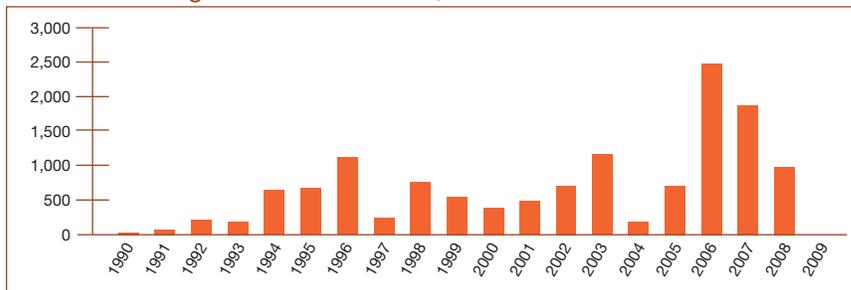
Rental Market—East Baton Rouge Parish Submarket *Continued*

Multifamily building activity, as measured by the number of units permitted, increased substantially during the 3 years following Hurricane Katrina, from an average of 610 units permitted annually from 2000 through 2005 to an average of 1,775 units permitted annually from 2006 through 2008, as shown in Figure 10. Multifamily building activity slowed significantly during the past year. In 2009, no new multifamily units were permitted,

based on preliminary data, when builders responded to softening market conditions by halting production of new units and waiting for the market to absorb the very large number of units previously constructed. Approximately 85 percent of the multifamily units permitted since 2000 have been intended for rent.

During the next 3 years, after accounting for the current excess supply of vacant available units, no additional demand is expected for new market-rate rental units in the East Baton Rouge Parish submarket. The 210 units currently completing construction and the large number of excess vacant units should be sufficient to meet the demand for rental units in the parish for the forecast period. Average rents for all apartment units in the submarket are currently estimated to be \$650 for a one-bedroom unit, \$800 for a two-bedroom unit, and \$950 for a three-bedroom unit.

Figure 10. Multifamily Building Permits Issued in the East Baton Rouge Parish Submarket, 1990 to 2009



Notes: Includes all multifamily units in structures with two or more units. Includes data through December 2009.

Source: U.S. Census Bureau, Building Permits Survey

Sales Market—Remainder Submarket

The sales housing market in the Remainder submarket is balanced, with a current estimated vacancy rate of 1.5 percent, similar to the 1.6-percent rate reported in the 2000 Census but up from the 0.9-percent rate reported in the 2007 ACS (see Table DP-3 at the end of this report). Vacancy rates have increased over the past 2 years, although not as rapidly as in the East Baton Rouge Parish submarket, as a result of declining demand and high levels of single-family home production.

Home sales have slowed significantly during the past 3 years as the Remainder submarket has been affected by many of the same market forces as the East Baton Rouge Parish submarket, such as stricter lending requirements, the continued economic downturn, and home sales that rose to unusually high levels following the effects of Hurricane Katrina in 2005

and 2006. Household growth in the Remainder submarket, although reduced significantly from recent highs, has continued. The number of homes sold increased by nearly 1 percent to 2,925 homes in 2009 compared with the number sold in 2008, according to data from the Greater Baton Rouge Association of REALTORS®. Home sales peaked at 5,150 during the 12 months ending August 2006 and recorded consistent declines until the last half of 2009 when the number of homes sold began to increase. The average price of a home sold declined by nearly 5 percent to \$168,400 during 2009, following a decline of approximately 3 percent in 2008.

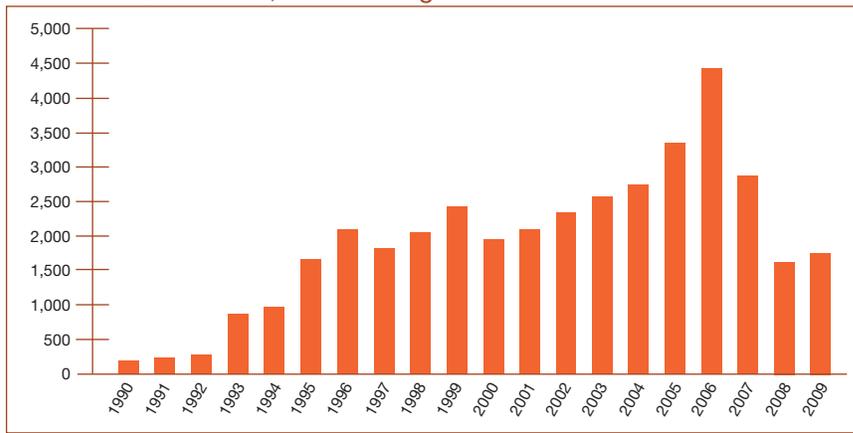
In response to the slowdown in home sales, single-family homebuilding activity, as measured by the number of single-family building permits issued, declined significantly from

Housing Market Trends

Sales Market—Remainder Submarket *Continued*

2006 through 2008 before increasing during 2009. Building activity peaked in 2006 at 4,400 homes permitted, after growing steadily throughout the first half of the decade in response to moderate population growth, particularly in the suburban areas of Ascension and Livingston Parishes bordering the city of Baton Rouge.

Figure 11. Single-Family Building Permits Issued in the Remainder Submarket, 1990 Through 2009



Notes: Includes only single-family units. Includes data through December 2009.

Source: U.S. Census Bureau, Building Permits Survey

Table 5. Estimated Demand for New Market-Rate Sales Housing in the Remainder Submarket, January 1, 2010 to January 1, 2013

Price Range (\$)		Units of Demand	Percent of Total
From	To		
110,000	149,999	460	9.9
150,000	199,999	2,050	44.1
200,000	249,999	1,350	29.0
250,000	299,999	560	12.0
300,000	and higher	230	4.9

Note: A portion of the estimated 13,600 other vacant units will likely satisfy a portion of the forecast sales demand.

Source: Estimates by analyst

Building activity has declined significantly since 2006, however, as shown in Figure 11. During 2009, the number of single-family building permits issued increased approximately 7 percent compared with the number issued in 2008, increasing to 1,725 homes permitted, based on preliminary data. In addition to the number of single-family permits issued, approximately 15 percent of the total number of multifamily units permitted since 2000 in the Remainder submarket were intended for owner occupancy.

Demand is estimated for 4,650 new homes during the next 3 years, including single-family homes, townhomes, and condominium units. The demand for new homes is expected to remain slightly below recent levels of production because of the current excess supply of vacant units and slower household growth. Some of the demand estimated during the forecast period will be satisfied by the 510 homes currently under construction. In addition, a portion of the 13,600 other vacant units may become available to satisfy some of the demand. New home sales prices are expected to start at \$110,000. Table 5 presents detailed information on the estimated demand for new market-rate sales housing by price range in the Remainder submarket during the forecast period.

Rental Market—Remainder Submarket

The rental housing market in the Remainder submarket is slightly soft, with an estimated current overall vacancy rate of 9 percent (see Figure 12), down from the 11.4-percent rate reported in the 2000 Census but up from the 6.3-percent rate reported in the 2007 ACS. In addition, during 2009, concessions, such as 1 month of free rent, have become increasingly common in the market, particularly among Class A properties. Traditional apartments

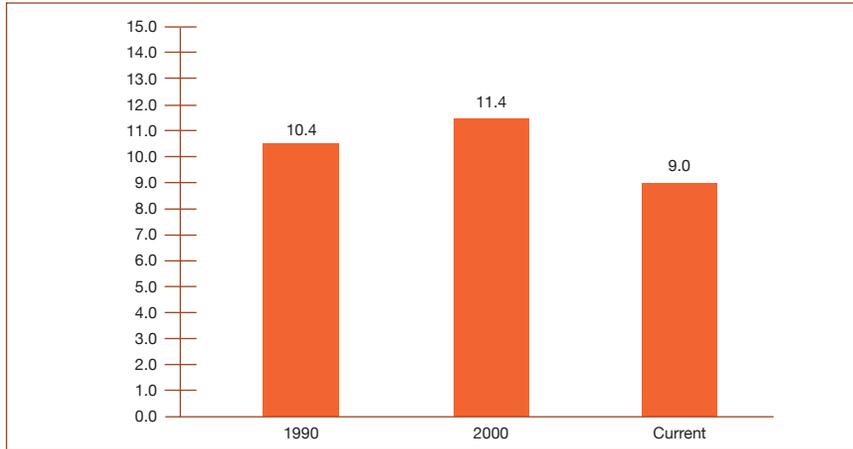
in structures with five or more units account for only approximately 10 percent of the available rental units in the submarket. The remainder of the rental market consists of primarily single-family, condominium, and mobile home rental units. Despite the tightening of the rental housing market that occurred after a large number of Hurricane Katrina evacuees relocated to the submarket in 2006, the rental market has softened,

Housing Market Trends

Rental Market—Remainder Submarket *Continued*

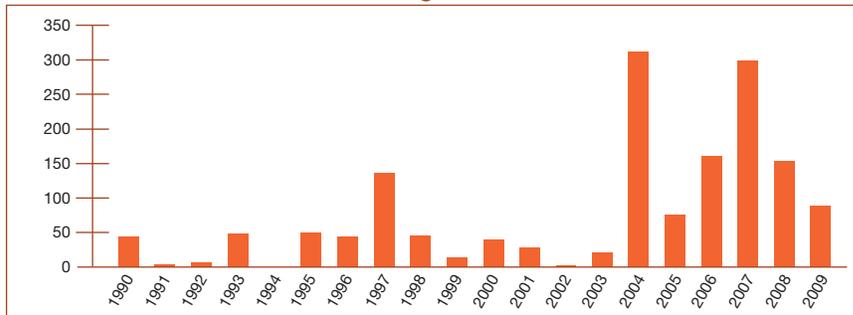
although to a lesser extent than in the East Baton Rouge Parish submarket, because the supply of new rental units outpaced demand as many of the evacuees returned to New Orleans and other areas.

Figure 12. Rental Vacancy Rates in the Remainder Submarket, 1990 to Current



Sources: 1990 and 2000—1990 Census and 2000 Census; current—estimates by analyst

Figure 13. Multifamily Building Permits Issued in the Remainder Submarket, 1990 Through 2009



Notes: Includes all multifamily units in structures with two or more units. Includes data through December 2009.

Source: U.S. Census Bureau, Building Permits Survey

Table 6. Estimated Demand for New Market-Rate Rental Housing in the Remainder Submarket, January 1, 2010 to January 1, 2013

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
900 to 1,099	80	1,100 to 1,299	120	1,300 to 1,499	40
1,100 to 1,299	60	1,300 to 1,499	70	1,500 to 1,699	20
1,300 to 1,499	30	1,500 to 1,699	60	1,700 to 1,899	10
1,500 to 1,699	20	1,700 to 1,899	20	1,900 or more	10
1,700 to 1,899	20	1,900 to 2,099	10		
1,900 or more	20	2,100 or more	10		
Total	230	Total	290	Total	80

Notes: Distribution is noncumulative. Demand shown at any rent represents demand at that level and higher.

Source: Estimates by analyst

Multifamily building activity, as measured by the number of units permitted, increased substantially during the 3 years following Hurricane Katrina, from an average of 80 units permitted annually from 2000 through 2005 to an average of 210 units permitted annually from 2006 through 2008, as shown in Figure 13. Multifamily building activity slowed significantly during 2009 as builders responded to softening rental market conditions by reducing the construction of new units. In 2009, approximately 90 multifamily units were permitted, based on preliminary data.

During the 3-year forecast period, after accounting for the current excess supply of vacant available rental units, demand is expected for 600 new market-rate rental units in the Remainder submarket. A portion of this demand will be met by the 120 units currently under construction. Table 6 illustrates the demand by rent range and number of bedrooms. Average rents for all apartment units in the submarket are currently estimated to be \$650 for a one-bedroom unit, \$800 for a two-bedroom unit, and \$950 for a three-bedroom unit.

Data Profiles

Table DP-1. Baton Rouge HMA Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Resident Employment	287,199	323,120	351,012	1.2	0.9
Unemployment Rate (%)	5.3	4.8	6.3		
Nonfarm Employment	259,600	339,200	373,000	2.7	1.1
Total Population	623,853	705,973	778,800	1.2	1.0
Total Households	217,646	256,637	292,100	1.7	1.3
Owner Households	145,173	177,952	203,600	2.1	1.4
Percent Owner (%)	66.7	69.3	69.7		
Renter Households	72,473	78,685	88,500	0.8	1.2
Percent Renter (%)	33.3	30.7	30.3		
Total Housing Units	246,833	282,511	333,391	1.4	1.7
Owner Vacancy Rate (%)	2.7	1.5	2.3		
Rental Vacancy Rate (%)	12.7	9.9	10.5		
Median Family Income	NA	NA	\$59,800	NA	NA

NA = Data not available.

Notes: Median family income is for 2009. Employment data represent annual averages for 1990, 2000, and the 12 months through December 2009.

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

Table DP-2. East Baton Rouge Parish Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Population	380,105	412,852	427,800	0.8	0.4
Total Households	138,620	156,365	168,400	1.2	0.8
Owner Households	83,168	96,332	104,200	1.5	0.8
Percent Owner (%)	60.0	61.6	61.9		
Rental Households	55,452	60,033	64,200	0.8	0.7
Percent Renter (%)	40.0	38.4	38.1		
Total Housing Units	156,767	169,073	192,174	0.8	1.3
Owner Vacancy Rate (%)	3.3	1.5	3.1		
Rental Vacancy Rate (%)	13.4	9.4	11.0		
Median Family Income	NA	NA	NA	NA	NA

NA = Data not available.

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

Table DP-3. Remainder Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Population	243,748	293,121	351,000	1.9	1.9
Total Households	79,026	100,272	123,700	2.4	2.2
Owner Households	62,005	81,620	99,400	2.8	2.0
Percent Owner (%)	78.5	81.4	80.4		
Rental Households	17,021	18,652	24,300	0.9	2.8
Percent Renter (%)	21.5	18.6	19.6		
Total Housing Units	90,066	113,438	141,217	2.3	2.3
Owner Vacancy Rate (%)	1.8	1.6	1.5		
Rental Vacancy Rate (%)	10.4	11.4	9.0		
Median Family Income	NA	NA	NA	NA	NA

NA = Data not available.

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

Data Definitions and Sources

1990: 4/1/1990—U.S. Decennial Census

2000: 4/1/2000—U.S. Decennial Census

Current date: 1/1/2010—Analyst's estimates

Forecast period: 1/1/2010–1/1/2013—Analyst's estimates

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 HUD's analysis, 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.

For additional data pertaining to the housing market for this HMA, go to www.huduser.org/publications/pdf/CMARtables_BatonRougeLA_10.pdf.

Contact Information

Robert Stephens, Economist
Fort Worth, TX HUD Regional Office
817-978-9412
robert.p.stephens@hud.gov

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

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD 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
www.huduser.org/publications/econdev/mkt_analysis.html.