

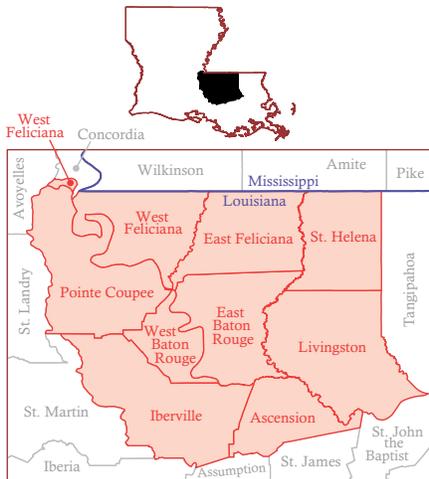


Baton Rouge, Louisiana

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of August 1, 2016



Housing Market Area



The Baton Rouge HMA, in southeast Louisiana, is coterminous with the Baton Rouge, LA Metropolitan Statistical Area (MSA) and consists of nine parishes: Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, West Baton Rouge, and West Feliciana. The city of Baton Rouge is the state capital and home to Louisiana State University (LSU). The HMA is home to the port of Baton Rouge, the farthest inland port for oceangoing ships in the nation.

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On August 16, 2016, the Baton Rouge Housing Market Area (HMA) experienced substantial flooding. More than 80,000 housing units, or 23 percent of the total housing inventory, are estimated to have sustained some damage from the flooding. Nearly 15,000 units had more than \$25,000 worth of damage, according to the most recent estimates provided by the Federal Emergency Management Agency (as of September 16, 2016). Due to the large number of housing units and businesses that sustained damage, the U.S. Department of Housing and Urban Development (HUD), Economic and Market Analysis Division (EMAD) is unable, at this time, to produce any estimates of the demand for additional sales or rental housing within the HMA during the next 3 years. This report will serve as a baseline report of the housing market conditions that existed at the time of the flooding and will be used by HUD to gauge the progress of the recovery efforts. EMAD will produce another report on the HMA in the near future that will discuss the impacts of the flooding and provide a forecast of housing needs as the HMA recovers from this natural disaster.

Summary

Economy

Economic conditions in the Baton Rouge HMA remained strong and continued the recent trend of expansion that began in 2011. During the 12 months ending July 2016, job growth was strong, with nonfarm payrolls reaching an all-time peak of 409,800, following an increase of 7,700 jobs, or 1.9 percent, from the previous 12 months. The unemployment rate in the HMA averaged 5.1 percent during the 12 months ending July 2016, which was down from 6.0 percent during the previous 12 months. Table DP-1 at the end of this report provides additional economic data.

Sales Market

The sales housing market in the HMA is currently balanced, with an estimated 1.5-percent vacancy

rate, which is down from 1.8 percent in April 2010. During the 12 months ending July 2016, new and existing home sales totaled 12,400, an increase of 550, or nearly 5 percent, from the previous 12 months as strong job and population growth have contributed to increased demand. The average sales price of a home during the 12 months ending July 2016 was \$213,600, an increase of \$9,400, or nearly 5.0 percent, from the previous 12 months.

Rental Market

Rental housing market conditions in the HMA are currently balanced. As of August 1, 2016, the rental vacancy rate was estimated at 6.7 percent, which is a marked improvement from the 9.2-percent rate during April 2010. As of August 1, 2016, an estimated 2,250 multifamily units were under construction in the HMA.

Economic Conditions

The economy of the Baton Rouge HMA continued to expand during the 12 months ending July 2016, with nonfarm payrolls increasing by 7,700 jobs, or 1.9 percent, to 409,800 (Table 1). Although employment in the HMA continues to expand, the rate of job growth has begun to slow from previous levels. During the 12 months ending July 2015 nonfarm payrolls increased by 11,200, or 2.9 percent, and from 2011 through 2014 nonfarm payroll growth averaged 7,700, or 2.1 percent, annually. Since 2011 more than 35 percent of the nonfarm payroll growth has been construction jobs due to many large-scale expansions at local petrochemical facilities. The unemployment rate declined during the 12 months ending

July 2016, to 5.1 percent, which is down from 6.0 percent 1 year earlier. Figure 1 shows the trends in the labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2015.

This recent economic expansion is a turnaround from the early 2000s in the HMA. From 2001 through 2004, nonfarm payrolls increased by an average of only 800 jobs, or 0.2 percent, annually. Even though total nonfarm payrolls increased, the mining, logging, and construction sector declined significantly by an average of 1,400 jobs, or 3.7 percent, annually, due in part to a slowdown in residential construction from levels in the late 1990s. When Hurricane Katrina made landfall in August 2005, many displaced people relocated to the Baton Rouge HMA from the New Orleans area. To accommodate the influx of people, multifamily residential and other commercial construction projects increased, boosting employment in the mining, logging, and construction sector by an average of 1,800 jobs, or 4.9 percent, annually from 2005 through 2008 while nonfarm payrolls overall increased by an average of 8,300 jobs, or 2.3 percent, annually when many new businesses formed and existing businesses expanded. In 2009 the HMA began losing jobs. During 2009 and 2010, nonfarm payrolls declined by an average of 5,500 jobs, or 1.5 percent, annually, and every sector lost jobs except for education and health services, which grew by 1,700 jobs, or 3.7 percent, annually.

The HMA is bisected by the Mississippi River—one of the most vital trade routes in the nation—and the port of Baton Rouge is the 10th largest port in the United States in terms of cargo volume, with nearly 60 million

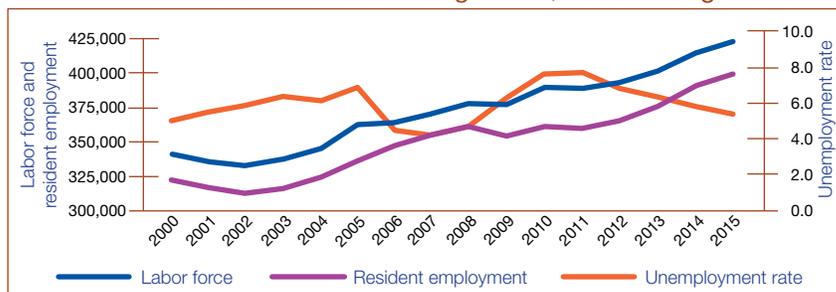
Table 1. 12-Month Average Nonfarm Payroll Jobs in the Baton Rouge HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	July 2015	July 2016		
Total nonfarm payroll jobs	402,100	409,800	7,700	1.9
Goods-producing sectors	79,900	83,500	3,600	4.5
Mining, logging, & construction	50,700	54,000	3,300	6.5
Manufacturing	29,200	29,500	300	1.0
Service-providing sectors	322,200	326,300	4,100	1.3
Wholesale & retail trade	55,600	56,500	900	1.6
Transportation & utilities	13,800	14,300	500	3.6
Information	6,900	6,600	-300	-4.3
Financial activities	18,300	18,400	100	0.5
Professional & business services	48,100	49,900	1,800	3.7
Education & health services	53,600	54,500	900	1.7
Leisure & hospitality	37,800	38,100	300	0.8
Other services	16,100	16,300	200	1.2
Government	72,100	71,600	-500	-0.7

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through July 2015 and July 2016.

Source: U.S. Bureau of Labor Statistics

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Baton Rouge HMA, 2000 Through 2015



Source: U.S. Bureau of Labor Statistics

tons of cargo passing through the port during 2012 (most recent data available; American Association of Port Authorities). Exports from the Baton Rouge HMA totaled \$14.6 billion during 2013 (*Export Nation 2013*, a joint project of the Brookings Institution and JPMorgan Chase & Co.). During 2012, approximately 31 percent of output in the HMA was for export, the largest percentage of any of the 100 largest MSAs and up from 13 percent in 2003, when Baton Rouge was the 11th most export-intensive MSA in the nation (*Export Nation 2013*). During 2012, the largest exporting industry was basic chemicals, which constituted approximately 32 percent of all exports, or \$4.70 billion, followed by petroleum and coal products and resins and synthetic rubbers, with approximately \$4.10 billion and \$2.38 billion, respectively. The increased exports from the HMA have helped to increase employment in the transportation and utilities sector. During the 12 months ending July 2016, transportation and utilities was the third strongest growth sector in percentage terms, increasing 3.6 percent, or by 500 jobs, the fifth consecutive year of growth in this sector. The increased exports from the HMA have also led to increased employment in the manufacturing sector, which added 300 jobs, or 1.0 percent, to

29,500 jobs during the 12 months ending July 2016, more than 5 consecutive years of expansion in this sector. Readily available cheap natural gas that is being produced domestically has lowered manufacturing costs and allowed the local petrochemical firms to increase their international market share, which has increased demand for workers in the manufacturing sector. From 2011 through 2014, manufacturing employment increased by an average of 1,000 jobs, or 3.7 percent, annually. The local petrochemical firms directly employ more than 12,000 people in the HMA.

As petrochemical firms in the HMA have recently increased production, numerous construction projects purposed to increase capacity at the plants have begun or are in the planning phase. The Dow Chemical Company is undertaking a \$1.1 billion investment to build two new polyethylene plants. In addition, CF Industries Holdings, Inc., is expanding its nitrogen facilities in the HMA with a \$2.1 billion investment. These projects contributed to employment growth in the mining, logging, and construction sector, which increased by 3,300 jobs, or 6.5 percent, leading employment growth in the HMA during the 12 months ending July 2016. Turner Industries, a heavy industrial construction firm, is the largest employer in the HMA, with 9,700 employees. In fact, 4 of the 10 largest employers in the HMA are in the mining, logging, and construction sector (Table 2).

Construction projects in the HMA are not limited to the petrochemical industry, however. The \$45 million Water Campus development began construction in early 2015 and will include three buildings on 33 acres

Table 2. Major Employers in the Baton Rouge HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Turner Industries	Mining, logging, & construction	11,500
Louisiana State University	Government	6,100
Performance Contractors, Inc.	Mining, logging, & construction	5,500
Louisiana Department of Transportation	Government	5,000
Exxon Mobil Corporation	Manufacturing	3,000
McDonald's of Baton Rouge	Wholesale & retail trade	2,725
Excel Group	Mining, logging, & construction	2,500
Blue Cross and Blue Shield of Louisiana	Education & health services	2,200
Cajun Industries, LLC	Mining, logging, & construction	2,200
Southern University	Government	2,000

Note: Excludes local school districts.

Source: Baton Rouge Area Chamber

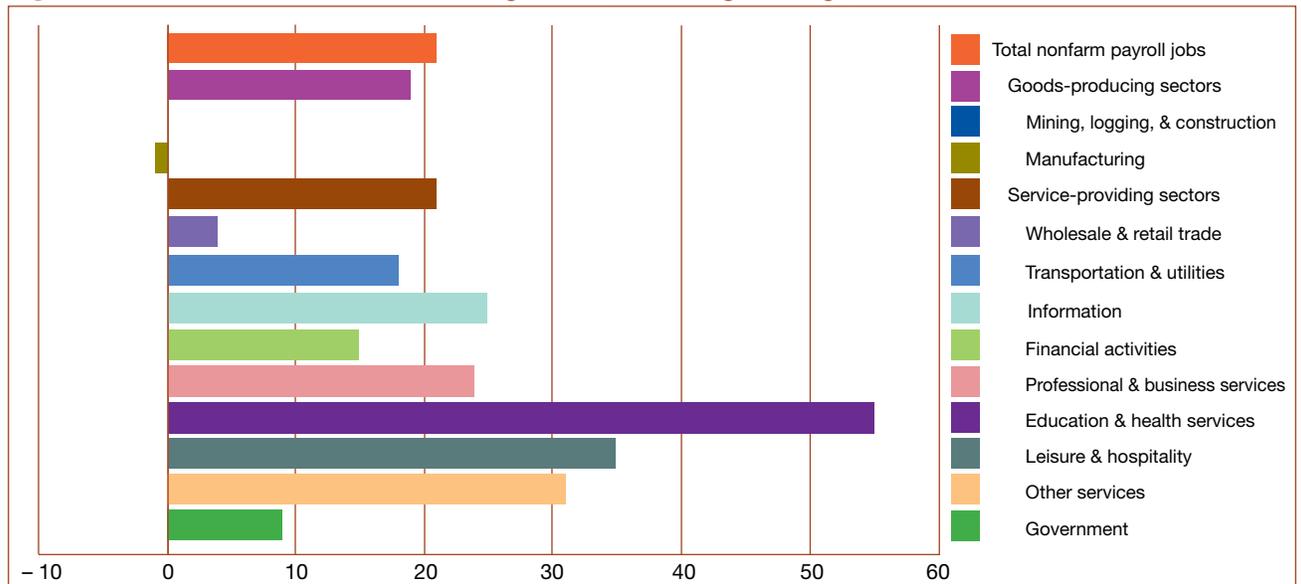
between the LSU campus and downtown Baton Rouge. These buildings will house The Water Institute of the Gulf, Louisiana's Coastal Protection and Restoration Authority, and LSU River Modeling Center. The long-range plan is for this project to eventually provide more than 1.6 million square feet of space and contain residential and commercial buildings along with research facilities.

The Baton Rouge HMA is a regional center for healthcare services and, as such, the education and health services sector has been the fastest-growing sector in the HMA from 2000 to the current date (Figure 2). Nonfarm payrolls in this sector totaled 35,200 in 2000 and have expanded to 54,500 currently, an average increase of 1,200, or 2.8 percent annually. This trend of growth has continued recently, and during the 12 months ending July 2016 employment in the education and health services sector increased by 900 jobs, or 1.7 percent. During the past 4 years, some notable expansions have taken place in this sector in the

city of Baton Rouge. Our Lady of the Lake Regional Medical Center finished construction of its \$120 million heart and vascular tower in December 2013. In August 2012, Woman's Hospital completed building its \$285 million hospital that took nearly 4 years to construct. The Baton Rouge General Medical Center finished a \$24 million expansion of its existing facility in 2015 that added 64 beds to the hospital. The city of Baton Rouge is in the preliminary planning stages of developing a medical corridor in the area between Bluebonnet Boulevard and Essen Lane to the west of Interstate 10, where the previously completed projects are located. One of the first projects in this corridor is the \$230 million Our Lady of the Lake Children's Hospital, which began construction during the spring of 2016. The continued development of the medical corridor should facilitate growth in the education and health services sector during the next several years.

The city of Baton Rouge is the state capital of Louisiana, and the

Figure 2. Sector Growth in the Baton Rouge HMA, Percentage Change, 2000 to Current



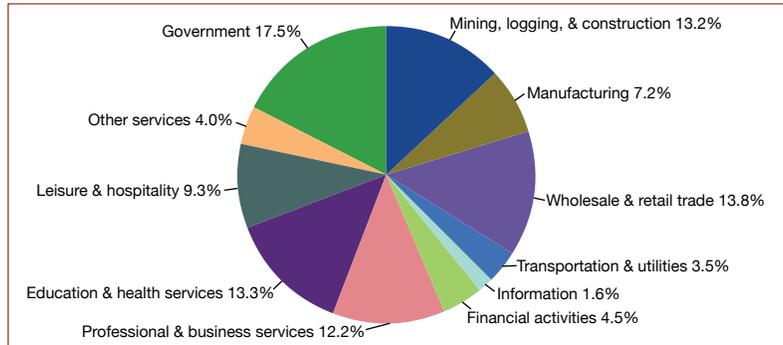
Notes: Current is based on 12-month averages through July 2016. During this period, payrolls in the mining, logging, and construction sector showed no net change.

Source: U.S. Bureau of Labor Statistics

government sector is the largest employment sector in the HMA, with 71,600 jobs, which accounts for 17.5 percent of all nonfarm payroll jobs in the HMA (Figure 3). The government sector lost jobs during the 12 months

ending July 2016, declining by 500 jobs, or 0.7 percent. All of the net job losses were in the state government subsector, which declined by 700 jobs, or 1.9 percent, as the declining energy prices have negatively impacted the state budget and caused a slowdown in the replacement of retiring workers. Also included in the government sector is LSU—the largest university in Louisiana—with an enrollment of 30,500 and the second largest employer in the HMA, with 6,150 employees. A 2013 study estimated that the university has an economic impact of \$1.7 billion annually on the HMA (LSU Division of Economic Development at the E. J. Ourso College of Business).

Figure 3. Current Nonfarm Payroll Jobs in the Baton Rouge HMA, by Sector



Note: Based on 12-month averages through July 2016.
Source: U.S. Bureau of Labor Statistics

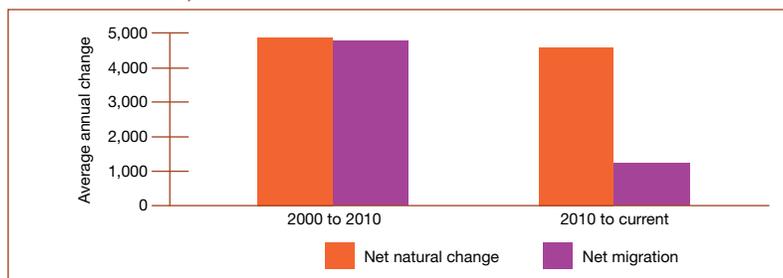
Population and Households

The population of the Baton Rouge HMA is estimated to be 839,100 as of August 1, 2016, comprising nearly 18 percent of the total population of Louisiana. The population of the HMA has increased by an average of 5,775, or 0.7 percent, annually since April 2010. As the HMA was recovering from the 2007-to-2009 Great Recession, population growth

was sluggish and averaged 5,100 people annually from April 2010 to July 2012, with net in-migration averaging only 400 people per year (analyst estimates). With the rate of job growth in the HMA increasing during 2012, population growth followed suit as people moved into the HMA for work. From July 2012 through July 2015, the population increased by an average of 6,375, or 0.8 percent, annually, with net in-migration increasing to 1,925 people annually. Figure 4 shows the components of population change from 2000 to the current date.

From April 2000 to July 2005, population growth in the HMA averaged 5,625 people, or 0.8 percent, annually, and net in-migration, which accounted for nearly 18 percent of population growth, averaged 1,000 people annually

Figure 4. Components of Population Change in the Baton Rouge HMA, 2000 to Current



Note: The current date is August 1, 2016.
Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

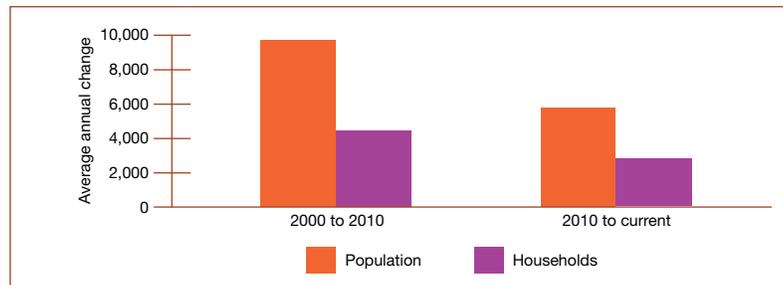
(Census Bureau population estimates as of July 1). Growth was slow during this period because increasing energy costs reduced the profitability of the many petrochemical facilities, which in turn limited employment growth and in-migration. In August 2005, Hurricane Katrina made landfall in southeast Louisiana; this storm profoundly impacted the HMA when many residents who were displaced from other parts of the state by the hurricane relocated to the HMA. From 2005 to 2006, in-migration to the HMA totaled 32,000 people, more than double the total net in-migration for the rest of the decade. Total population increased 5 percent during this period. Net in-migration continued from 2006 to 2010, averaging 2,775 people a year, and accounted for 34 percent of the HMA population growth, in part because of the strong local economy compared with the economy

in the rest of the nation. Total population increased by an average annual rate of 1 percent during this period.

East Baton Rouge Parish, which accounts for nearly 54 percent of the HMA population, is the largest parish in Louisiana, with a population estimated at 452,000. Since 2010 the population of East Baton Rouge Parish has increased by an average of 1,825, or 0.4 percent, annually. While East Baton Rouge Parish is the most populated, Ascension Parish has been the fastest-growing parish in the HMA since 2010. Ascension Parish's growth is due in part to its location between Baton Rouge and New Orleans; many two-income households consist of one person who commutes to New Orleans and the other to Baton Rouge for work. Ascension Parish's population is currently estimated at 121,100, an average increase of 2,150, or 1.9 percent, annually since 2010.

The number of households in the HMA is currently estimated at 317,200, representing an average annual increase of 2,700, or 0.9 percent, annually since 2010. During the 2000s, households increased at a faster rate of 1.6 percent, or by 4,350 households, annually because of the influx of displaced residents from Hurricane Katrina. Figure 5 shows population and household growth in the HMA since 2000. Since April 2010, renter households have comprised nearly 60 percent of total household growth, which is up from the average of 41 percent from 2000 to 2010. Tighter mortgage lending standards and an increased propensity to rent contributed to the increased portion of new renter households since 2010. Figure 6 shows the number of households in the HMA by tenure since 2000.

Figure 5. Population and Household Growth in the Baton Rouge HMA, 2000 to Current



Note: The current date is August 1, 2016.

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

Figure 6. Number of Households by Tenure in the Baton Rouge HMA, 2000 to Current



Note: The current date is August 1, 2016.

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

Housing Market Trends

Sales Market

The sales housing market in the Baton Rouge HMA is currently balanced, with an estimated 1.5-percent vacancy rate—down from 1.8 percent during April 2010. The market currently has 3.9 months of inventory, down from 5.0 months during July 2015 (Greater Baton Rouge Association of Realtors®). As of July 2016, 3.4 percent of home loans in the HMA were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status, down from 3.8 percent a year earlier and from a peak of 6.4 percent in January 2010 (CoreLogic, Inc.). That rate compares with the national and state rates of 2.8 and 3.8 percent during July 2016, which are down from 3.6 and 4.4 percent during July 2015 and from the peak of 8.6 and 7.1 percent, respectively, during January 2010.

Strong employment and population growth in the HMA have contributed to increased home sales since 2011. During the 12 months ending July 2016, existing home sales—which include single-family homes, townhomes, and condominiums—totaled 10,400 homes: an increase of 380, or slightly less than 4 percent, compared with the number sold during the previous 12 months. The average sales price of an existing home during the 12 months ending July 2016 was \$205,200, an increase of \$8,300, or more than 4 percent, from the previous 12 months. Existing home sales have returned to more historically normal levels that existed before 2006 and 2007, when an average of 13,200 homes sold annually, in part because of the post-Hurricane Katrina influx of new residents that increased sales nearly 25 percent annually from the

10,600 homes sold during 2005. Sales prices also escalated quickly after Hurricane Katrina. The average sales price of an existing home was \$160,800 during 2005 and increased by an average of \$18,900, or slightly more than 11 percent, annually to reach an average price of \$198,600 during 2007. After the surge in existing home sales during 2006 and 2007, home sales steadily declined during the next 4 years, in part because of the Great Recession and also a return to more normal conditions following the large post-Katrina spike in sales from new residents. During 2011, existing home sales totaled only 8,550, an average decline of 1,150 sales, or more than 10 percent, annually since 2007. Existing home sales totaled 9,800 during 2012, an increase of 1,250 sales, or nearly 15 percent, from 2011 and remained essentially unchanged during 2013 and 2014. Though the number of home sales bottomed out in 2011, the average sales price did not reach a bottom until 2012 when the average sales price was \$176,700, an average decline of \$4,375, or more than 2 percent, annually since 2007. Home prices started to rebound in 2013 with the improving local economy, and by 2014 the average sales price of an existing home was \$191,500, an average increase of \$7,400, or more than 4 percent, annually.

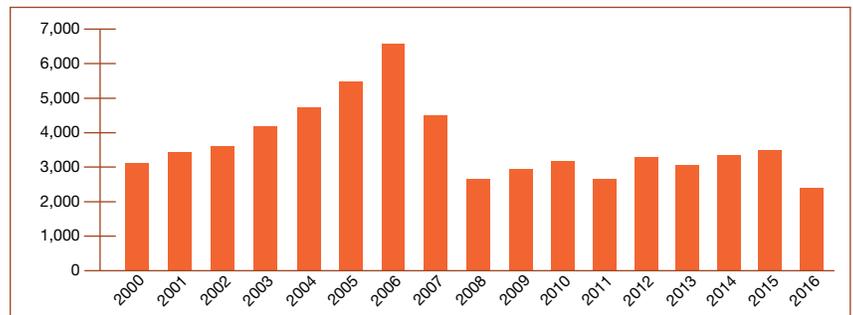
New home sales (including single-family homes, townhomes, and condominiums) in the HMA totaled 2,000 during the 12 months ending July 2016, an increase of 150, or nearly 9 percent, from the previous 12 months. The average sales price of a new home during the 12 months ending July 2016 was \$257,600, an increase of \$13,600, or nearly 6 percent, from

the previous 12 months. New home sales have recovered to pre-Katrina levels and are unlikely to return to 2006 levels, when 2,350 new homes sold as people relocating to the HMA after Hurricane Katrina significantly increased the demand for housing. After this surge in demand for new homes during 2006 and with the onset of the Great Recession, sales steadily declined by an average of 420 homes, or 27 percent, annually through 2010 when only 660 new homes sold. During 2011, new home sales started to increase again and by 2014 totaled 1,600, an average increase of 240 sales, or nearly 25 percent, annually. Although home sales peaked during 2006, the average sales price of a new home followed the national trend and continued to increase, peaking at \$254,100 during 2008, and then declined by an average of \$15,250, or slightly more than 6 percent, annually, to \$208,300 by the end of 2011. In 2012, after a year of increasing sales, new home prices began to rise once more and by 2014 averaged \$238,600, an average increase of \$10,100, or nearly 5 percent, annually since 2011.

New home construction, as measured by the number of single-family homes permitted, totaled 3,400 homes during the 12 months ending July 2016,

unchanged from the previous 12 months (preliminary data). Though new home construction has increased since the end of the Great Recession, it is still below historical levels. Single-family construction totaled 3,075 homes permitted in 2000 but increased every year for the next 6 years by an average of 580 homes, or 13 percent, annually and by 2006 totaled 6,525 homes permitted. This peak level of production in 2006 was due to very high demand for housing following the post-Katrina influx of residents to the HMA. Following this peak, single-family home construction declined rapidly in the HMA as the nation entered an economic downturn that further depressed demand for new homes. By 2008, only 2,600 single-family homes were permitted (Figure 7), an average annual decline of 1,975, or 37 percent, annually. In 2009, demand for new homes increased, and the housing market improved slightly; from 2009 through 2011, an average of 2,900 single-family homes were permitted annually in the HMA. As the economy kept improving, demand for new homes also increased, and from 2012 through 2014 an average of 3,200 single-family homes were permitted annually—an increase of more than 10 percent from the average from 2009 through 2011.

Figure 7. Single-Family Homes Permitted in the Baton Rouge HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through July 2016.

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

Some recent developments in the HMA include Eagles Landing in Livingston Parish, which began a 72-home second phase in April 2016. Prices range from approximately \$185,000 to \$238,000 for three-bedroom, two-bathroom homes that range between 1,450 and 2,300 square feet. In East Baton Rouge

Parish, The Preserve at Harveston—the first phase of which recently completed 93 units—has home prices that start at \$375,000 for three-bedroom, two-bathroom, 2,000-square-foot homes. The second phase of this development began selling lots in the spring of 2016.

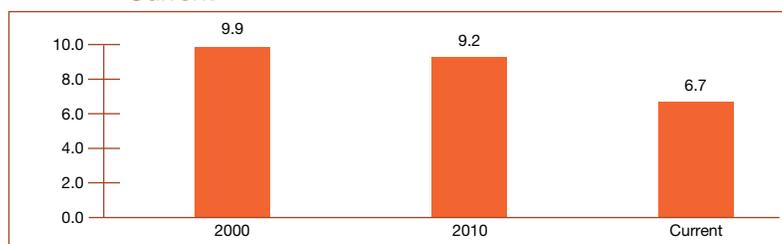
Rental Market

The rental housing market in the Baton Rouge HMA—including renter-occupied single-family homes, mobile homes, and apartment units—is balanced, with an estimated 6.7-percent vacancy rate (Figure 8), down from 9.2 percent during April 2010 because job growth has attracted new residents to the HMA. Apartment units in buildings with five or more housing units constitute 37 percent of the total rental market, and single-family homes comprise 34 percent of rental units (2014 American Community Survey 1-year data).

The apartment market in the HMA is slightly tight, with a 3.7-percent vacancy rate during July 2016, which is down from 4.2 percent 1 year earlier (Reis, Inc.). The average rent for an apartment is currently \$819, an increase of \$17, or more than 2 percent, from a year earlier. The current apartment vacancy rate is the lowest in the HMA since the migration of more than 30,000 people to the HMA directly

after Hurricane Katrina. After the post-Katrina influx of residents to the HMA, the apartment market was very tight; the vacancy rate averaged 3.0 percent during 2005 and increased only slightly to 3.4 percent by the end of 2007. This prolonged period of tight conditions put upward pressure on rents. During 2005, the average rent for an apartment in the HMA was \$610, and by 2007 it had increased to \$688, an average increase of \$39, or more than 6 percent, annually. As developers responded to the previously tight rental market conditions by increasing multifamily production, which coincided with an economic downturn, the apartment vacancy rate increased to 7.5 percent by 2009. The increasing vacancy rate contributed to a slowing in rent growth, and by 2009 the average rent in the HMA was \$727, an average increase of \$20, or less than 3 percent, annually since 2007. With the start of local economic recovery and increased in-migration to the HMA, some of the previously vacant apartment units began to be absorbed, and by 2014 the apartment vacancy rate was down to 4.3 percent. Despite a reduction in the vacancy rate, rent increases remained limited; by 2014, the average rent for an apartment in the HMA was \$778, an average increase of \$10, or slightly more than 1 percent, annually since 2009.

Figure 8. Rental Vacancy Rates in the Baton Rouge HMA, 2000 to Current



Note: The current date is August 1, 2016.

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

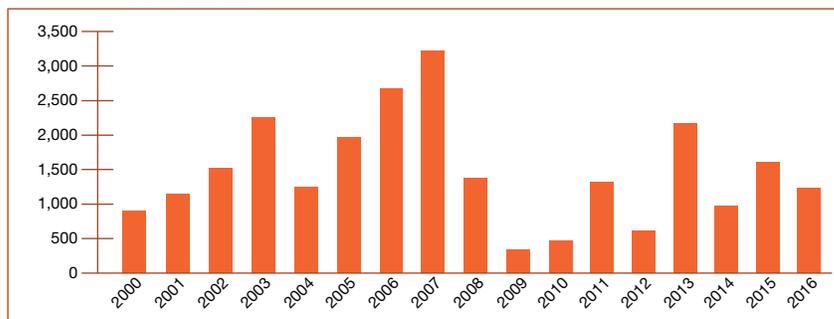
LSU and Southern University significantly affect the rental market of the HMA. About 75 percent of the more than 37,000 students live off campus and constitute approximately 10 percent of all renter households in the HMA (LSU and Southern University). Apartments catering to students account for nearly 11 percent of all apartment units in the HMA (ALN Systems, Inc.). The vacancy rate at student apartments is currently 15.8 percent, down from 10.2 percent a year earlier, as a significant number of new apartments geared toward students have come online. Rents average \$913, \$1,304, and \$2,229 for one-, two-, and three-or-more-bedroom units, respectively. Apartment units with three or more bedrooms account for 47 percent of all student apartments in the HMA, and student units account for more than 30 percent of all the three-or-more-bedroom units in the HMA.

Multifamily construction, as measured by the number of units permitted, totaled 1,725 units during the 12 months ending July 2016, an increase of 600, or more than 53 percent, from the previous 12 months (preliminary data). Multifamily construction during the pre-Katrina years—from 2000 through 2005—averaged 1,500 multifamily units permitted annually in the HMA (Figure 9). Of those 1,500 units

annually, approximately 200, or 13 percent, were multifamily developments geared toward students at the local universities. During 2006 and 2007, multifamily construction spiked as a large number of people displaced by Hurricane Katrina migrated to the HMA, resulting in an average of 2,925 multifamily units permitted in the HMA. The surge in construction was mostly geared toward providing housing to the people who migrated to the HMA following the hurricane, and minimal activity was geared toward the construction of student housing. During 2008, multifamily construction began to decline, and by 2009 only 320 multifamily units were permitted in the HMA, an average decline of 1,425 units, or 68 percent, annually from the number of units permitted during 2007. After bottoming out in 2009, multifamily construction began to increase again, and by 2011 approximately 1,325 multifamily units were permitted, an average increase of 500 units, or slightly more than 100 percent, annually. From 2012 through 2015, multifamily permitting fluctuated, but averaged 1,325 multifamily units permitted annually. Apartments catering to the student market made a comeback to the HMA and averaged 400 units annually, accounting for more than 30 percent of total production.

Recently completed developments include Creekside Crossing Apartments, a 168-unit property in Livingston Parish. Rents at this property start at \$960 for a one-bedroom unit and \$1,285 for a three-bedroom unit. Another property of note is Audubon Park Apartments in East Baton Rouge Parish. This is a 178-unit property with one-, two-, and three-bedroom units. Rents range from \$999 for a one-bedroom unit to \$1,689 for a three-bedroom unit.

Figure 9. Multifamily Units Permitted in the Baton Rouge HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through July 2016.

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

Data Profile

Table DP-1. Baton Rouge HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	323,215	360,351	403,200	1.1	2.0
Unemployment rate	5.1%	7.8%	5.1%		
Nonfarm payroll jobs	339,800	365,000	409,800	0.7	2.1
Total population	705,973	802,484	839,100	1.3	0.7
Total households	256,637	300,022	317,200	1.6	0.9
Owner households	177,952	203,545	210,500	1.4	0.5
Percent owner	69.3%	67.8%	66.4%		
Renter households	78,685	96,477	106,700	2.1	1.6
Percent renter	30.7%	32.2%	33.6%		
Total housing units	282,511	329,729	345,400	1.6	0.7
Owner vacancy rate	1.5%	1.8%	1.5%		
Rental vacancy rate	9.9%	9.2%	6.7%		
Median Family Income	\$46,000	\$59,800	\$65,500	2.7	1.5

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through July 2016. Median Family Incomes are for 1999, 2009, and 2015. The current date is August 1, 2016.

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

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 8/1/2016—Analyst’s estimates

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

Other Vacant Units: In the U.S. Department of Housing and Urban Development’s (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.

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

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_BatonRougeLA_17.pdf.

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

The factual framework for this analysis follows the guidelines and methods developed by 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 huduser.gov/portal/ushmc/chma_archive.html.