

SOUTHWEST LOUISIANA ECONOMIC INDICATORS

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<http://www.mcneese.edu/drewecon>

Real Estate Activity Report for Southwest Louisiana

The H.C. Drew Center web page now provides information on real estate activity, complements of the Southwest Louisiana Association of Realtors. Visit our web page for monthly and annual comparisons of the number and dollar volume of sales, new listings, average length of time properties are on the market, and average single family residential sales prices. Some of the more interesting measures of annual real estate activity in SW Louisiana during 2006 in comparison to 2005 are highlighted below, along with the most recent monthly trends.

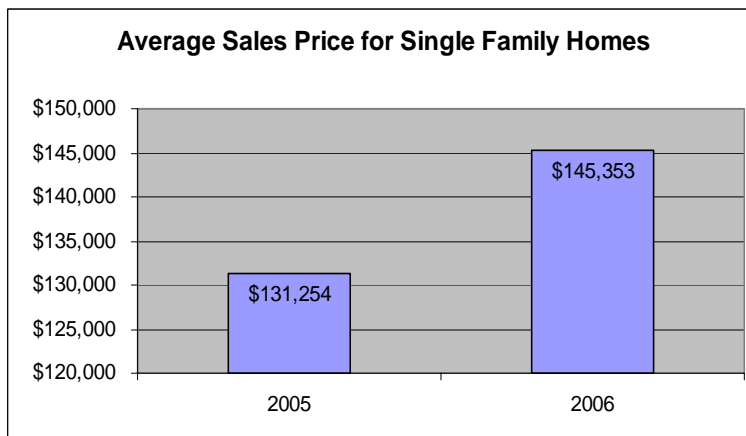
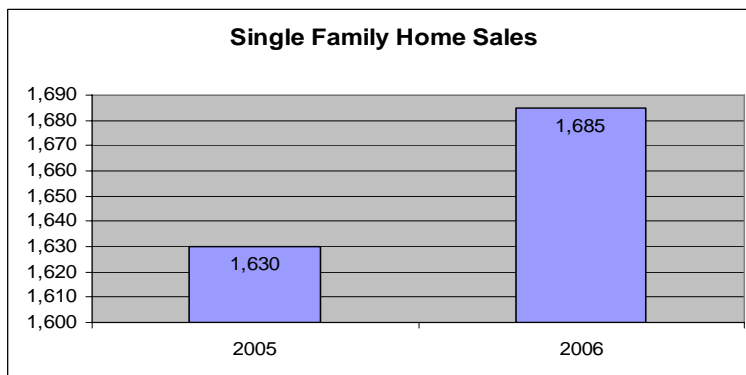
Single Family Home Sales

In 2006 there were 1,685 single family homes sold in SW Louisiana—an increase of 3.4% from 2005. In contrast, nationwide single family home sales dropped by 8.1% in 2006.

In SW LA, conventional financing accounted for 79% of all residential sales, cash for 15.4%, FHA for 1.4% and VA financing for 0.9%.

The average sales price for single family homes in SW Louisiana rose by 10.7% in 2006 to \$145,353. Nationwide, single family home prices rose by only 0.8% to an average of \$269,600.

On average, SW LA single family homes were on the market 110 days before selling.



The total dollar volume of single family home sales in Southwest Louisiana grew by about \$31 million in 2006 to a total of \$244.9 million. This was an increase of 14.5% from 2005.

Single family home sales accounted for 81% of the total dollar volume of real estate sales in Southwest Louisiana in 2006.

Condominium Sales

In 2006 the number of condo sales increased by 27%. But this segment of the residential real estate market in SW LA is quite small. Only 14 condominium sales were reported in 2006.

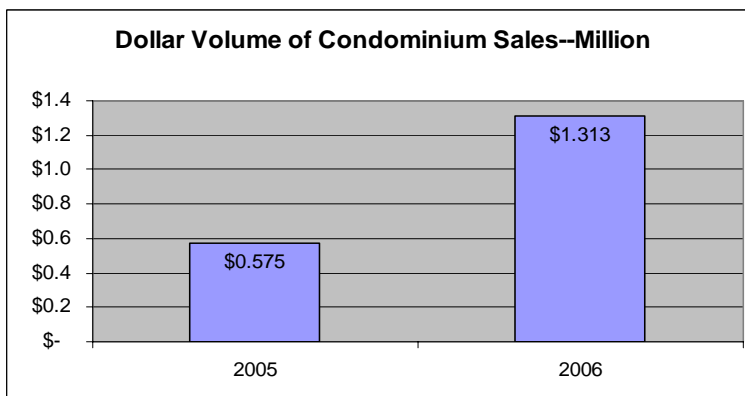
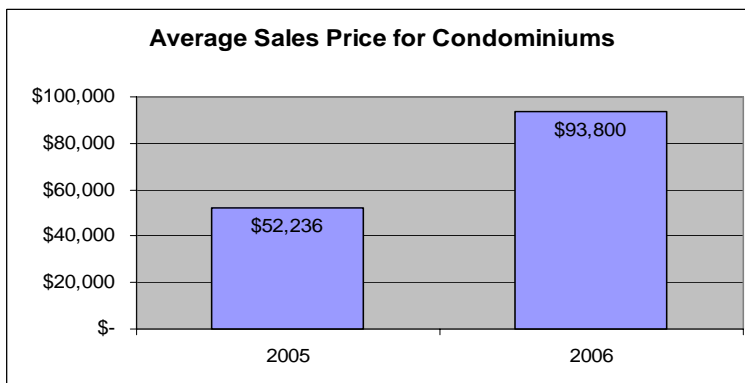
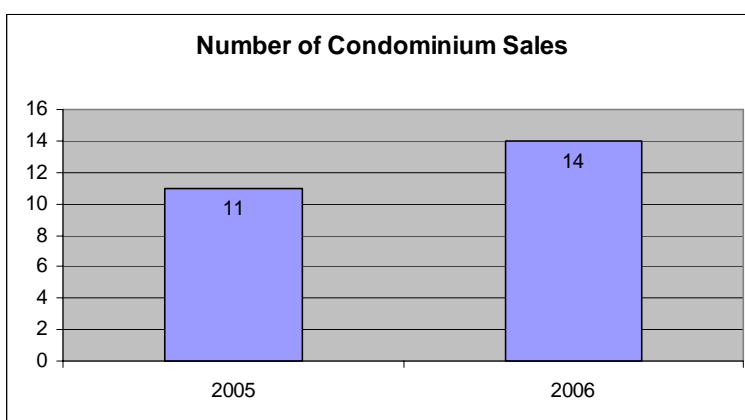
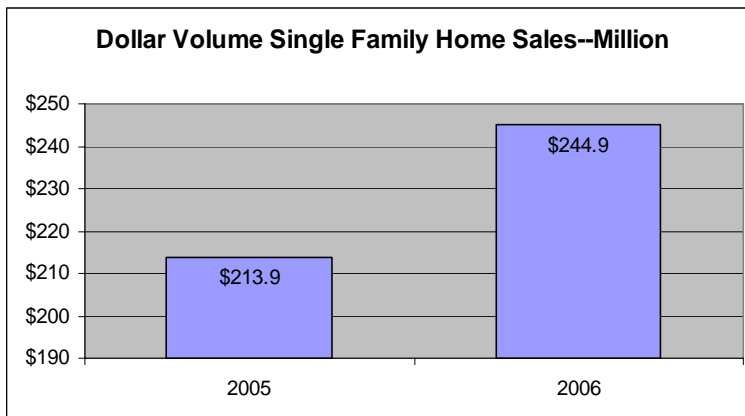
Condo sales nationwide fell by 10.4% in 2006. In the Southern Region of the country the decline was by 13.5%.

The average sales price for condos in SW Louisiana rose by 79.6% in 2006 to \$93,800.

Nationwide the average sales price for condos fell by 0.6% to \$259,300 in 2006. In the Southern Region the decline in condo prices was by 4.3% in 2006 to \$220,600.

On average, condo listings in SW Louisiana remained on the market for 156 days before selling.

The total dollar volume of condominium sales in SW Louisiana grew by 128.5% in 2006.



The \$1.3 million volume of condominium sales in SW Louisiana accounts for a very small share of the market—only 0.5% of the \$244.9 million volume of single family home sales in 2006.

Multi-Family Home Sales

Multi-family home sales also account for a relatively small share of real estate transactions in SW Louisiana.

The number of multi-family home sales in SW Louisiana declined from 35 in 2005 to 31 in 2006—a decrease of 11.4%.

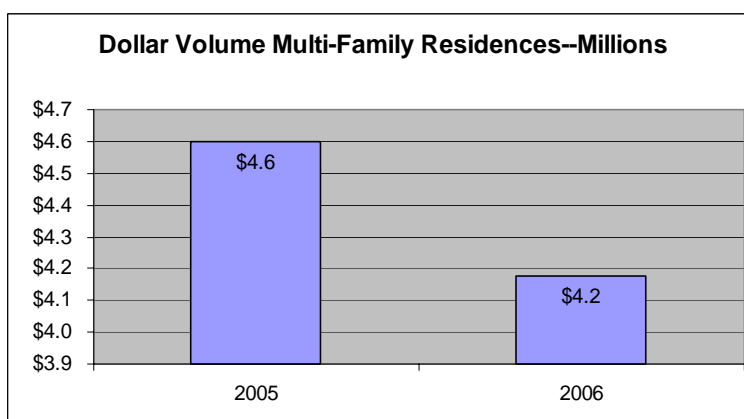
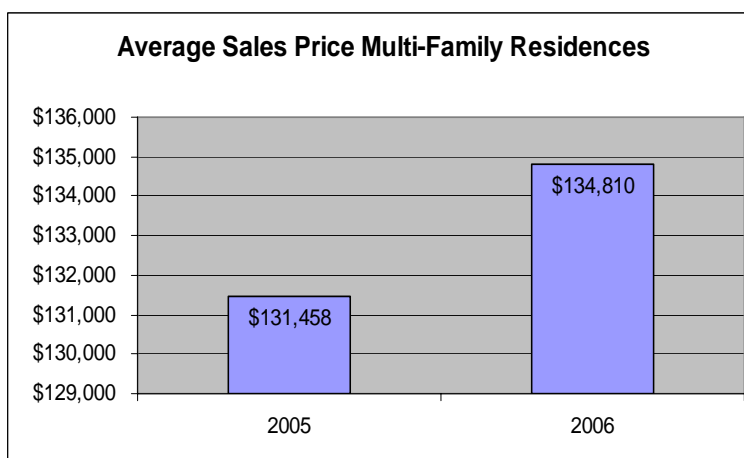
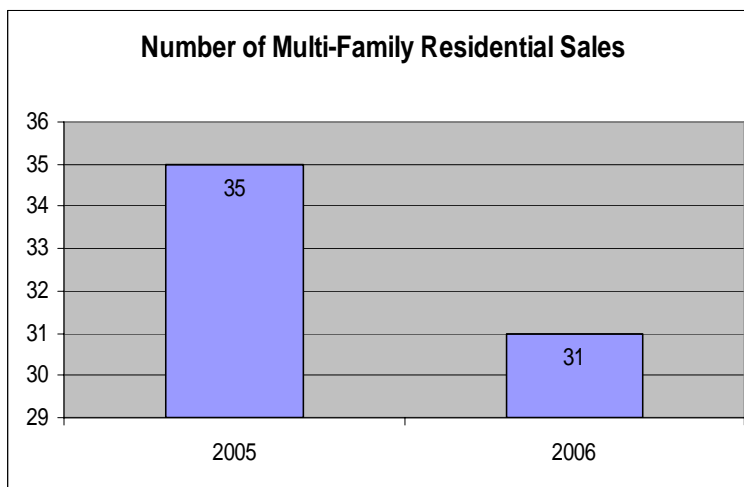
In 2006 there were 60 new listings of multi-family homes and 31 sold. In 2005 there were 47 new listings and 35 sold.

The average sales price for multi-family homes in SW Louisiana rose by 2.5% in 2006 to \$134,810.

On average, multi-family homes remained on the market for 146 days in SW Louisiana before selling.

The dollar volume of multi-family home sales in SW Louisiana fell by 9.2% in 2006 to \$4.2 million. This was the only segment of the SW Louisiana real estate market to register a decrease in dollar volume of sales in 2006.

Multi-family home sales volume in SW Louisiana amounted to less than 2% of the dollar volume of single family home sales.



Commercial Properties

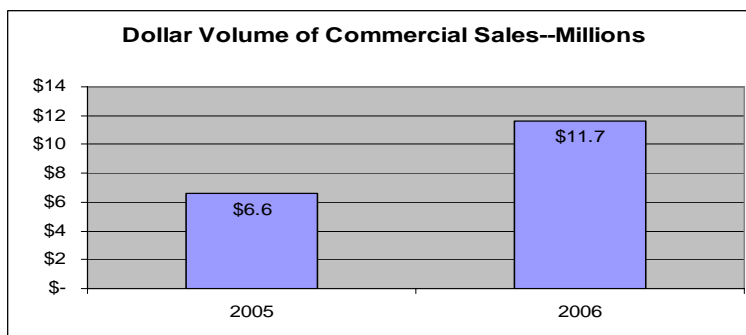
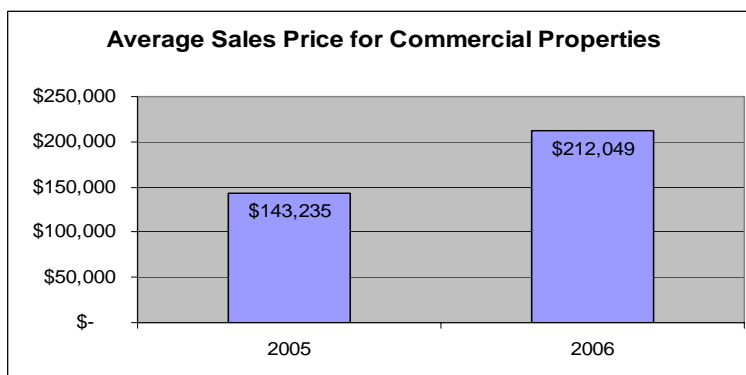
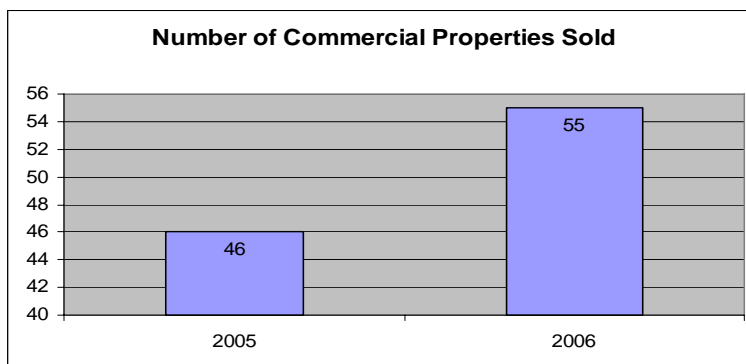
In 2006 there was a 19.6% increase in the number of commercial properties sold in SW Louisiana from 46 in 2005 to 55 in 2006.

Properties in this category are probably less homogenous than those in other real estate groupings—so this must be taken into consideration when comparing average sales prices.

The average sales price for commercial properties in SW Louisiana increased by 48% in 2006.

In 2006, commercial properties in SW Louisiana averaged 270 days on the market before selling

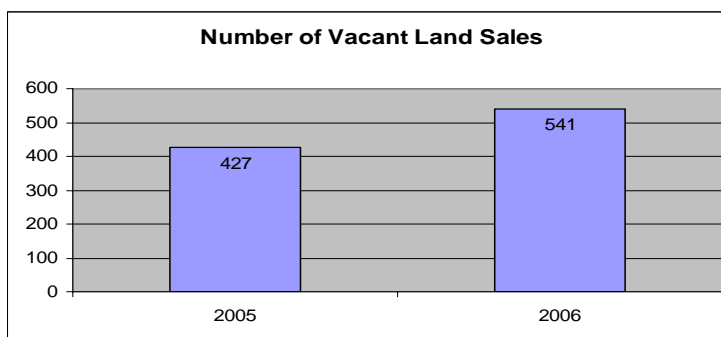
The dollar volume of commercial sales in SW Louisiana grew by 77% in 2006—from \$6.6 million in 2005 to \$11.7 million in 2006.



Vacant Land Sales

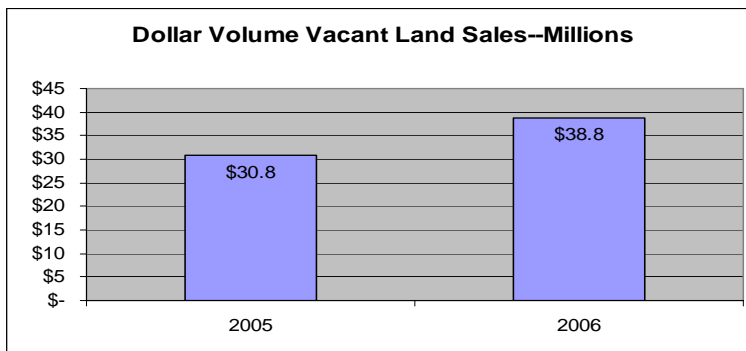
The number of vacant land sales in SW Louisiana increased by 26.7% in 2006.

Vacant land remained on the market for an average of 326 days in 2006



The dollar volume of vacant land sales in SW Louisiana grew by 26.1% in 2006.

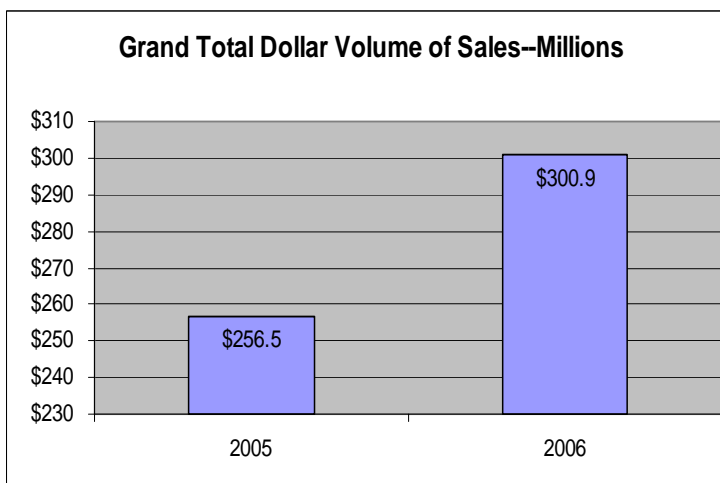
The average sales price for vacant land sales (also a fairly heterogeneous grouping) fell by 0.5% in 2006 to \$71,453.



Total—All Real Estate Sales

In 2006 the grand total dollar volume of all real estate sales in SW Louisiana was \$300.9 million—up by 17.3% from \$256.5 million in 2005.

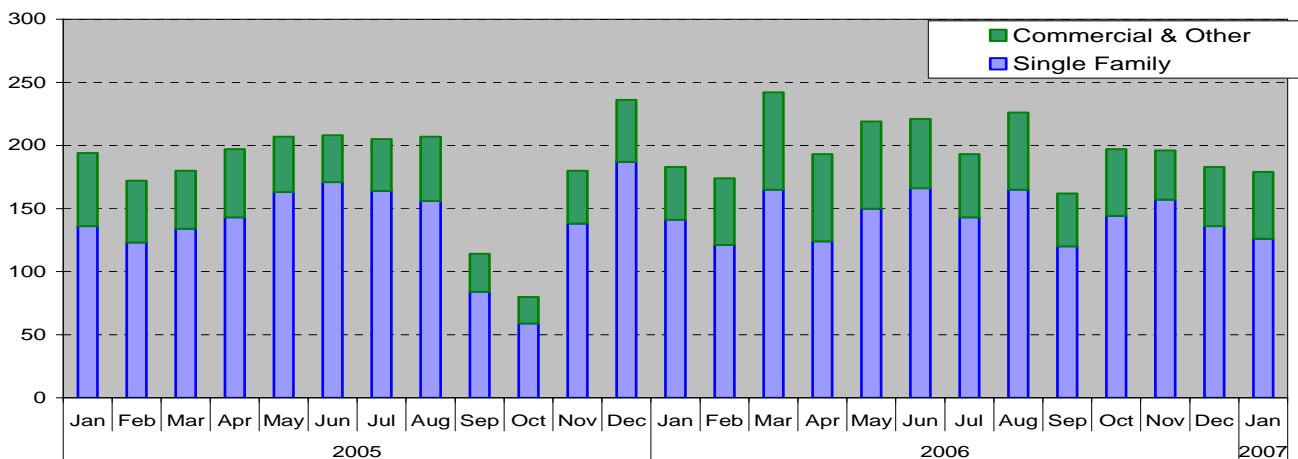
This total includes sales of single family homes, condominiums, multi-family homes, commercial property, and vacant land.



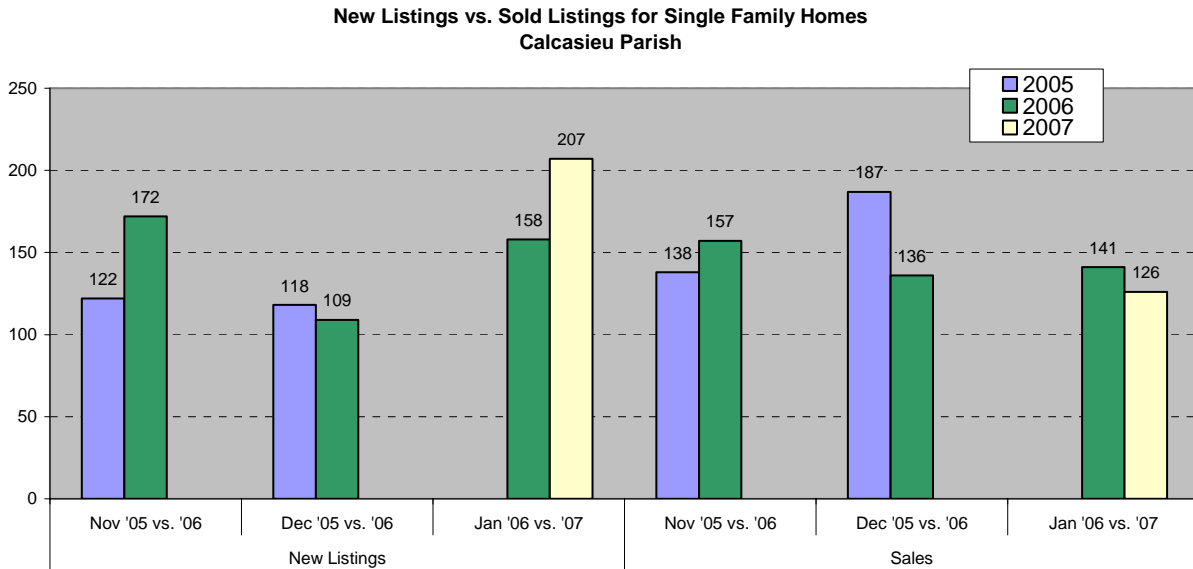
Recent Monthly Trends:

The chart below shows the monthly trends for sales of single family homes and all other real estate transactions in SW Louisiana. The immediate impact of Hurricane Rita in September and October of 2005 is readily apparent—as is the relatively rapid rebound afterwards.

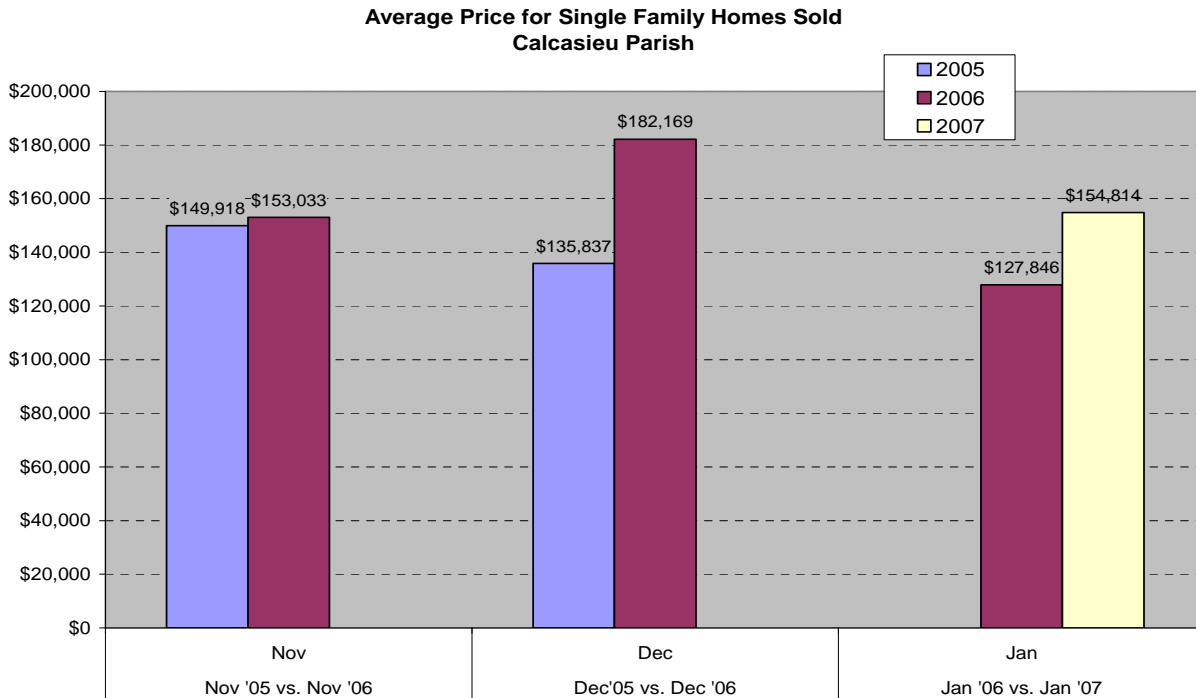
**Single Family Homes and Other Listings Sold by Month
Calcasieu Parish**



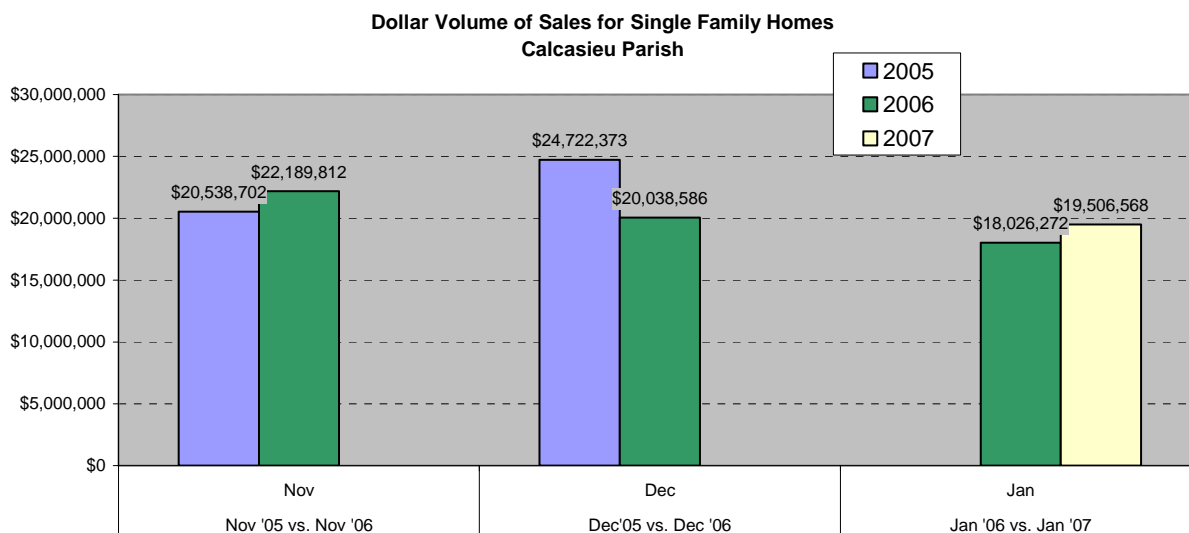
The first three sets of columns in the chart below compare the number of **new listings of single family homes** for November, December, and January with the same three months a year earlier. Notice the surge of new listings in January of 2007. The last three sets of columns compare **sales of single family homes**—down since November of 2006 and lagging in same month comparisons for December 2006 and January 2007.



The chart that follows compares the average sales price of single family homes for the most recent three months (Nov, Dec, Jan) with the same period a year earlier. In January of 2007 the average price of a single family home was \$154,814—up by 21% from a year earlier.



The total dollar volume of single family homes sold in SW Louisiana during the most recent three months is compared with the same three month period a year ago in the chart below. In January of 2007 the higher average price for single family homes more than offset a lower number of sales, thereby resulting in a \$1.5 million increase in sales volume compared to January of 2006.



Summary

In contrast to the nationwide statistics, real estate activity in SW Louisiana was stronger in 2006 than in 2005 by almost every comparison—number of sales, average sales price, and total dollar volume of sales. Compared to many other regions of the country, housing costs in SW Louisiana are significantly lower. In 2006 the average price for a single family home in SW Louisiana was \$145,353—more than \$118,000 below the nationwide average and more than \$85,000 below the Southern Regional average for single family homes.

The *Southwest Louisiana Economic Indicators* report is distributed electronically through the **H.C. Drew Center for Economic Development Information Services** in the College of Business at McNeese State University in Lake Charles, Louisiana.

Visit our webpage for more detailed information depicting recent economic trends in Southwest Louisiana—including Calcasieu, Cameron, Allen, Beauregard, and Jefferson Davis Parishes.

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