



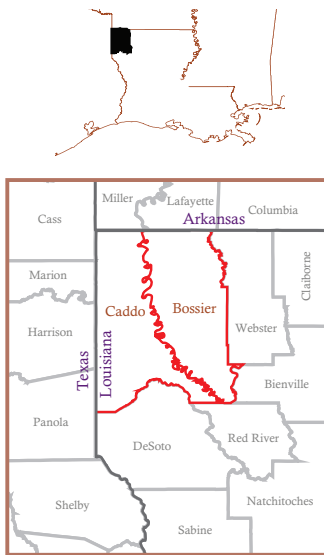
Shreveport-Bossier City, Louisiana

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of July 1, 2008



Summary

Housing Market Area



The Shreveport-Bossier City, Louisiana Housing Market Area (HMA) is defined as Bossier and Caddo Parishes. The HMA is part of the three-parish Shreveport-Bossier City, LA Metropolitan Statistical Area, which also includes DeSoto Parish. Shreveport is located in Caddo Parish and is home to the Louisiana State University (LSU) in Shreveport and the LSU School of Medicine in Shreveport. Bossier City and Barksdale Air Force Base (AFB) are located in Bossier Parish.

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Economy

The aftermath of Hurricanes Katrina and Rita has had a sustained impact on the economy of the Shreveport-Bossier City HMA. During the fall of 2005, an estimated 25,000 people relocated to the HMA from the hurricane-affected areas of southern Louisiana, causing employment to reach historic levels. Since late 2006, the effect of the hurricanes on the HMA has subsided and employment has fallen to near prehurricane levels.

As of the 12 months ending July 1, 2008, resident employment totaled 161,400 jobs, up 0.5 percent compared with the number of jobs during the previous 12 months. Stimulated by job growth in the nonresidential construction, retail trade, and motion picture and television production industries, resident employment is expected to increase at a rate of 1.4 percent a year during the forecast period.

Sales Market

The sales housing market is currently somewhat soft. During the 12-month period ending June 2008, approximately 4,500 new and existing homes were sold, down 13 percent from the number sold during the same period a year earlier, and the inventory of unsold homes increased 8 percent to

2,300 units. During the 3-year forecast period, demand is expected for 3,700 new homes a year (see Table 1), slightly less than in recent years.

Rental Market

During the past 24 months, the construction of new rental units has generally kept pace with demand for rental housing in the HMA. As a result, the rental market is balanced with a vacancy rate of 6 percent. The HMA rental housing market is expected to soften during the next 12 months as new rental units enter the market. Demand during the next 3 years should support the production of 1,250 new rental housing units (see Table 1). Rental units currently under construction or in the pipeline will meet much of the demand.

Table 1. Housing Demand in the Shreveport-Bossier City HMA, 3-Year Forecast, July 1, 2008 to July 1, 2011

	Shreveport-Bossier City HMA	
	Sales Units	Rental Units
Total Demand	3,700	1,250
Under Construction	350	560

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of July 1, 2008. Source: Estimates by analyst

Economic Conditions

The Shreveport-Bossier City HMA is the employment and services center for northwest Louisiana, east Texas, and southwest Arkansas. With nearly 13,500 employees, the Louisiana Department of Civil Service is the leading employer in the HMA; with approximately 7,400 military personnel and 2,000 civilian employees, Barksdale AFB is the second leading employer in the area. The three leading healthcare centers in the HMA employ approximately 12,300 workers and provide services to a multistate region. About 8,100 workers are employed at the five area casinos. Table 2 lists major employers in the Shreveport-Bossier City HMA.

Hurricanes Katrina and Rita devastated southern Louisiana and the Gulf Coast regions of Alabama and Mississippi in August and September 2005. As a result, several New Orleans financial institutions, law firms, medical offices, and other professional businesses temporarily relocated to the HMA. Within 4 months after the hurricanes occurred, employment in the professional and business services, education and health services, and financial activities sectors increased by 1,400, 400, and 300 jobs, respectively. For

the 12-month period ending August 2006, resident employment reached a historic high of 163,600 workers, up 4.4 percent, or 7,200, compared with resident employment levels recorded during the 12-month period ending August 2005.

The effect of the hurricanes on the HMA has since subsided. Beginning in September 2006, resident employment levels began to decline as evacuees relocated from the area. During the 12 months ending June 2008, despite the continued departure of evacuees, resident employment increased by 800 workers to 161,400, a 0.5-percent increase compared with the number of workers posted during the 12 months ending June 2007. During the same period, the average unemployment rate increased from 4.2 to 4.4 percent. Figure 1 provides trends in the labor force, resident employment, and unemployment rate in the HMA from 1990 to 2007.

As a result of recent gains in the education and health services and retail trade sectors, nonfarm employment grew during the 12-month period ending June 2008, up approximately 3,500 jobs, or 2 percent, to 180,100, compared with the number of jobs recorded a year earlier. See Table 3, which presents 12-month average employment in the HMA by sector, and Figure 2, which illustrates current employment in the HMA by sector. Figure 3 presents nonfarm employment sector growth in the HMA from 1990 to the current period.

Local government spending, military expenditures at Barksdale AFB, and the growing motion picture and television production industry have contributed to stability and growth in the HMA economy. According to

Table 2. Major Employers in the Shreveport-Bossier City HMA

Name of Employer	Employment Sector	Number of Employees
Louisiana Department of Civil Service	State Government	13,500
Barksdale Air Force Base (AFB)	Federal Government	9,400
Louisiana State University Health Sciences Center	State Government	5,900
Willis Knighton Health System	Education & Health Services	4,300
Harrah's Horseshoe Casino & Hotel-Bossier City/ Harrah's Louisiana Downs Casino & Race Track	Leisure & Hospitality	3,330
General Motors Corporation-Shreveport Operation	Manufacturing	3,000
City of Shreveport	Local Government	2,650
CHRISTUS Schumpert Health System	Education & Health Services	2,100
US Support Company	Information	1,950
Brookshire's/Super 1 Foods	Retail Trade	1,650

Notes: Numbers have been rounded. Barksdale AFB figure includes 7,400 military personnel and 2,000 civilian personnel.

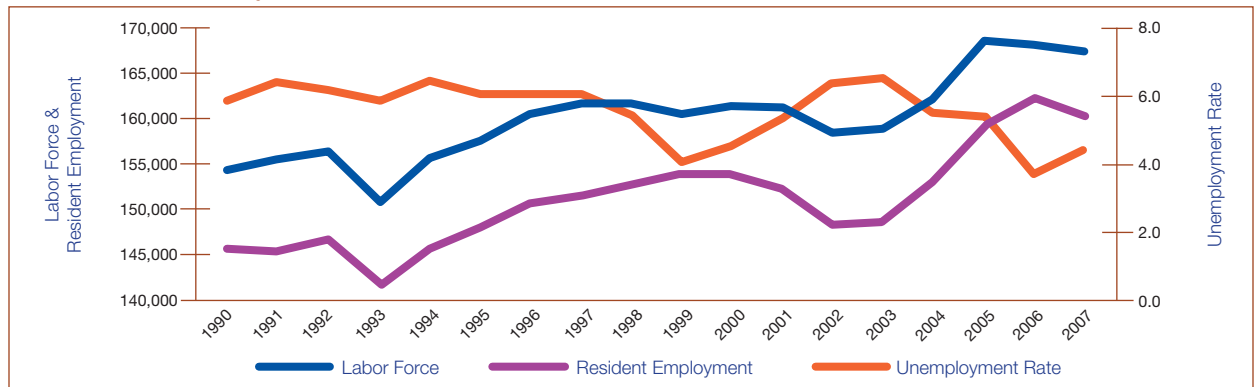
Source: Northwest Louisiana Economic Development Foundation

Barksdale AFB, in 2006 and 2007, the base had an estimated annual economic impact of approximately \$675 million on the area's economy. Before Hurricanes Katrina and Rita made landfall, the motion picture and television production industry was primarily located in New Orleans. Since the hurricanes occurred, the motion picture and television industry has had a direct impact of an estimated \$230 million on the local economy. From August 2005 through December 2007, 36 motion picture and television productions with a total budget

of more than \$482 million were produced in the HMA. In 2008, 18 projects with budgets totaling approximately \$210 million were in production or had been produced. For the first 6 months of 2008, the production companies booked more than 25,000 hotel or motel room nights to accommodate more than 1,800 crew positions.

Well drilling began in 2008 at the Haynesville Shale, a natural gas field. Considered the largest onshore natural gas reserve in North America, it is

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Shreveport-Bossier City HMA, 1990 to 2007



Sources: U.S. Bureau of Labor Statistics; Louisiana Department of Labor

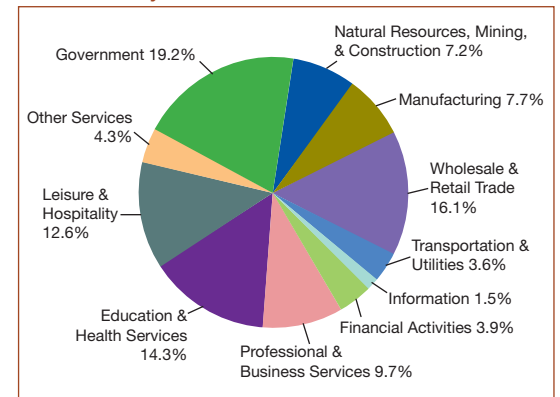
Table 3. 12-Month Average Employment in the Shreveport-Bossier City HMA, by Sector

	12 Months Ending June 2007	12 Months Ending June 2008	Percent Change
Total Nonfarm Employment	176,600	180,100	2.0
Goods Producing	26,500	26,800	1.1
Natural Resources, Mining, & Construction	12,500	12,900	3.2
Manufacturing	13,900	13,800	-0.7
Service Providing	150,200	153,400	2.1
Wholesale & Retail Trade	27,300	29,000	6.2
Transportation & Utilities	6,200	6,500	4.8
Information	2,700	2,700	0.0
Financial Activities	7,200	7,100	-1.4
Professional & Business Services	17,100	17,400	1.8
Education & Health Services	24,600	25,700	4.5
Leisure & Hospitality	23,200	22,700	-2.2
Other Services	7,800	7,800	0.0
Government	34,200	34,500	0.9

Notes: Based on 12-month averages through June 2007 and June 2008. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

Figure 2. Current Employment in the Shreveport-Bossier City HMA, by Sector



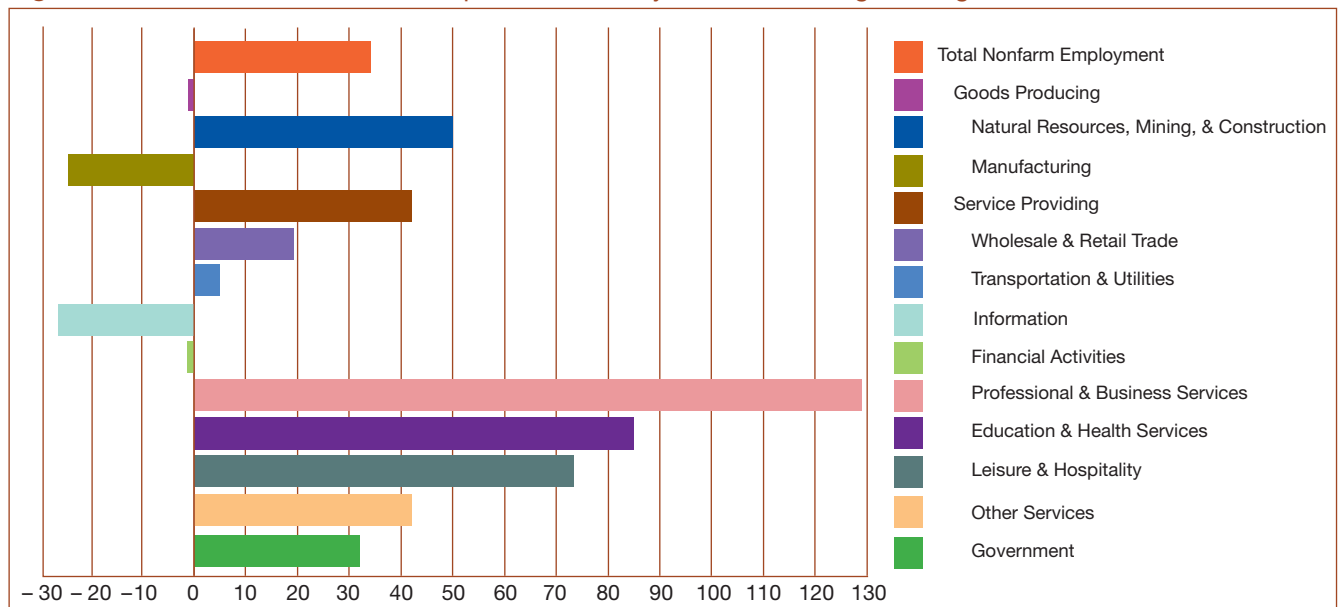
Note: Based on 12-month averages through June 2008.

Source: U.S. Bureau of Labor Statistics

being developed in northwest Louisiana and eastern Texas. The Haynesville Shale development could become one of the largest economic drivers in the HMA. When fully developed, the anticipated 440 wells could produce up to 40 trillion cubic feet of natural gas. Local sources indicate that the average mineral lease is about \$10,000 an acre in the Haynesville Shale development. Any permanent job creation related to the Haynesville Shale development is unknown at this time; however, during the 12 months ending June 2008, the number of jobs in the construction sector increased due to the building of natural gas wells and pipelines.

Nonfarm job growth during the next 3 years will occur primarily in the nonresidential construction, retail trade, and motion picture and television production industries. Job increases in these industries, however, will be dampened by pending layoffs in other industries. The General Motors Corporation plant in Shreveport was planning to reduce its payroll by approximately 800 positions in September 2008. Pilgrim's Pride Corporation, a food processing plant in Bossier City, was expected to eliminate 200 jobs in August 2008. During the next 3 years, total resident employment is projected to grow to 168,300 workers, or by 1.4 percent a year.

Figure 3. Sector Growth in the Shreveport-Bossier City HMA, Percentage Change, 1990 to Current



Note: Current is based on 12-month averages through June 2008.

Source: U.S. Bureau of Labor Statistics

Population and Households

During the 1990s, a weak economy contributed to slow population growth and a net out-migration of approximately 380 people annually from the Shreveport-Bossier City HMA. Bossier Parish gained about 500 people a year, but, for the HMA, that figure was offset by 880 people a year migrating from Caddo Parish. Since 2000, Bossier Parish has continued to be the principal growth area of the HMA. The convenient commute to employment centers in Caddo Parish and the availability of developable land have contributed to the growth of the Bossier City area.

As a result of the hurricanes, more than 25,000 evacuees from the New Orleans area relocated to the HMA in the fall of 2005. According to local sources, an estimated 2,500 evacuees currently remain in the HMA. As of July 1, 2008, the estimated population of the HMA is 375,800; this figure reflects a growth rate of 0.9 percent a year since 2000. As of July 1, 2008, the population of Caddo and Bossier Parishes is 261,700 and 114,100, respectively. Figure 4 shows population and household growth trends in the HMA from 1990 to the forecast date. During the forecast period, employment is expected to increase, resulting in the net in-migration of about 1,400 people a year. The population of the HMA is expected to increase by 0.8 percent a year and reach 385,400 by July 1, 2011. Figure 5 displays components of population change in the HMA from 1990 to the forecast date.

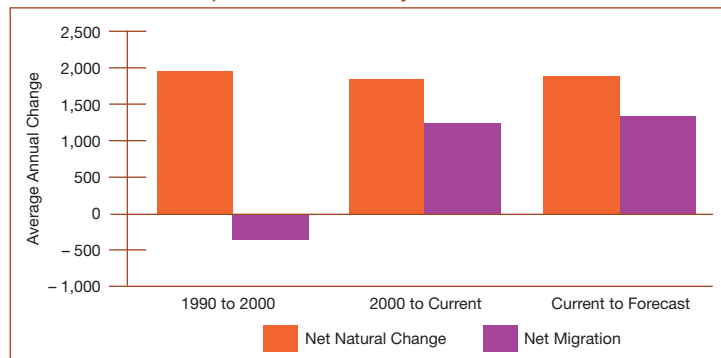
Since 2000, the moderate increase in population has resulted in an increase in the number of households. As of July 1, 2008, an estimated 149,400 households were in the HMA; this figure represents a growth rate of 1.3 percent a year in the number of households since 2000. The current estimated household tenure ratio is 65 percent owner and 35 percent renter. Figure 6 shows the growth in the number of households by tenure in the HMA from 1990 to the current date. During the next 3 years, the number of households is expected to increase by an average of 0.9 percent a year to reach 153,200; tenure ratios are expected to remain similar to the current estimates.

Figure 4. Population and Household Growth in the Shreveport-Bossier City HMA, 1990 to Forecast

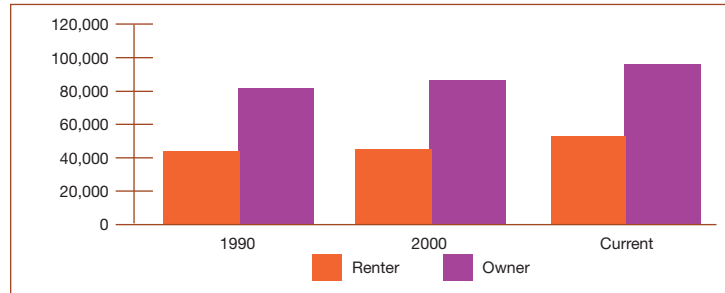


Sources: 1990 and 2000–1990 Census and 2000 Census; current and forecast—estimates by analyst

Figure 5. Components of Population Change in the Shreveport-Bossier City 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 Shreveport-Bossier City HMA, 1990 to Current

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

Housing Market Trends

Sales Market

Hurricanes Katrina and Rita had little effect on the Shreveport-Bossier City HMA sales housing market, other than an initial increase in the number of sales closings and the sales prices during the first couple of months after the storms occurred; only a small portion of evacuees opted to purchase homes. Sales housing market conditions currently are somewhat soft, with an estimated vacancy rate of 1.5 percent. The soft sales market is evidenced by fewer sales and an increased inventory of unsold homes. Sales have declined because of tightened credit standards and fewer move-up buyers. For the 12-month period ending June 2008, the Northwest Louisiana Association of REALTORS® reported sales were down 13 percent from a year earlier to approximately 4,520 new and existing homes sold. During the same period, the inventory of unsold single-family homes rose 8 percent to approximately 2,300 units. In response to the slowdown in sales, during the 12-month period ending June 2008, the median home sales price declined 12 percent to

\$130,000 compared with the price recorded during the previous 12 months. See Table DP-1 at the end of this report for housing inventory and vacancy trends in the HMA from 1990 to the current date.

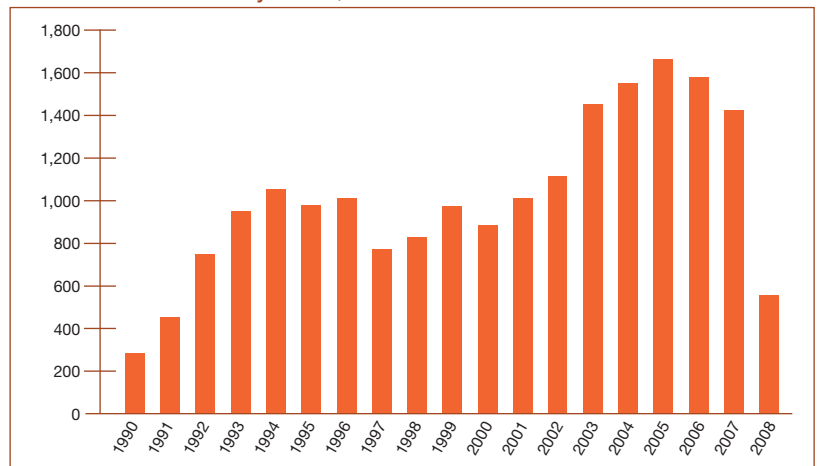
Since 2000, building permits have been issued for nearly 11,240 single-family homes. Of the homes permitted, approximately 5,440 are in Caddo Parish and the remaining 5,800 are in Bossier Parish. Most of the developments are concentrated in southeast Shreveport and in north Bossier City. Beginning in late 2006, slower demand for new homes caused single-family construction activity to decrease rapidly. For the 12-month period ending June 2008, approximately 1,160 single-family homes were permitted in the HMA, down from approximately 1,550 permitted during the same period a year earlier. Building permit activity fell by nearly 20 percent in Bossier Parish to 730 homes and by nearly 30 percent in Caddo Parish to 430 homes. Sales prices range from approximately \$120,000 for a new

starter home to more than \$500,000 for a custom luxury home. Approximately 350 single-family homes are currently under construction in the HMA, with 70 percent located in Bossier Parish. Figure 7 shows the number of single-family building permits issued in the HMA from 1990 to 2008.

During the forecast period, anticipated growth in the number of households is expected to produce demand for 3,700 new homes.

A portion of this demand will be met by the 350 homes currently under construction. Demand is expected to be strongest in the \$130,000-to-\$160,000 price range. Table 4 provides information on estimated demand for new market-rate sales housing in the HMA categorized by price range. Demand is estimated for approximately 2,135 homes in Bossier Parish and approximately 1,575 homes in Caddo Parish.

Figure 7. Single-Family Building Permits Issued in the Shreveport-Bossier City HMA, 1990 to 2008



Notes: Includes only single-family units. Includes data through June 2008.

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

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Shreveport-Bossier City HMA, July 1, 2008 to July 1, 2011

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	119,999	100	2.9
120,000	129,999	340	10.0
130,000	139,999	1,190	35.1
140,000	159,999	680	20.0
160,000	179,999	340	10.0
180,000	199,999	170	5.0
200,000	249,999	170	5.0
250,000	299,999	170	5.0
300,000	399,999	170	5.0
400,000	499,999	35	1.0
500,000	and higher	30	0.9

Source: Estimates by analyst

Rental Market

Despite a significant volume of apartment construction, rental housing market conditions have remained generally balanced in the HMA since 2000. Local sources estimate that the apartment vacancy rate was 7.5 percent before the storms occurred. With the influx of hurricane evacuees, the rental housing market tightened to a vacancy rate of less than 2 percent in early 2006. In mid-2006, as the evacuees began to relocate out of the HMA, rental market conditions became more balanced. The estimated rental vacancy rate is currently 6 percent, slightly above the balanced market rate for the HMA. Figure 8 shows rental vacancy rate trends in the HMA from 1990 to the current date.

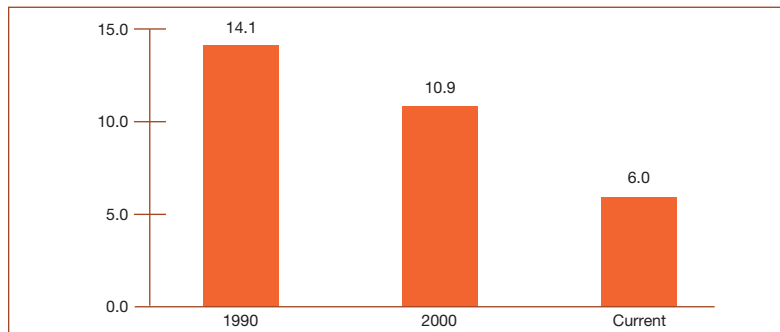
During 2007, the average rent in the HMA increased because of the development of new Class A apartment units. According to a recent LSU in Shreveport survey, at the end of 2007, the overall average monthly rent was \$620, up 3.5 percent from the average monthly rent recorded at the end of 2006. The average 2007 rents for Class A one-, two-, and three-bedroom units were considerably higher, at \$780, \$920, and \$1,090, respectively. The most recent data

is available only for year-end 2007, but the current vacancy rate and rent levels have remained approximately the same.

The market for low-income housing tax credit (LIHTC) rental units is tight, with an overall estimated rental vacancy rate of 4 percent. In both Caddo and Bossier Parishes, about 70 LIHTC projects are in service, providing a total of 2,800 rental units for households with incomes at or below 60 percent of the Area Median Income (AMI). Gross rents for LIHTC units are considerably lower than those in the general market and range from approximately \$370 for a one-bedroom unit for households with incomes at or below 40 percent of AMI to \$770 for a three-bedroom unit for households with incomes at or below 60 percent of AMI.

The slowdown in the home sales market has led to a renewed production of apartments. During the 12-month period ending June 2008, multifamily construction activity, as measured by the number of units permitted, totaled about 560 units, well above the 90 units permitted during the 12-month period ending June 2007. The multifamily units permitted during the past 12 months are all currently under construction; of those rental units, about 100 are in Caddo Parish and 460 are in Bossier Parish. Projects currently under construction are expected to enter the market by late 2008 or early 2009. Figure 9 shows trends in multifamily building permits from 1990 to 2008 and Table DP-1 at the end of this report displays housing inventory trends in the HMA from 1990 to the current date.

Figure 8. Rental Vacancy Rates in the Shreveport-Bossier City HMA, 1990 to Current



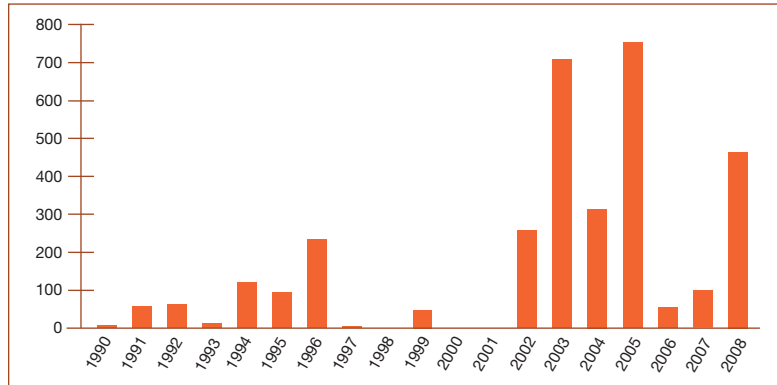
Sources: 1990 and 2000—1990 Census and 2000 Census; current—estimates by analyst

Housing Market Trends
 Rental Market *Continued*

Because of the large number of units under construction, the rental housing market is expected to soften in late 2008 and early 2009. With continued population growth expected, demand is anticipated for 1,250 new market-

rate rental units during the 3-year forecast period. Demand is expected for approximately 590 units in Bossier Parish and 660 units in Caddo Parish. A portion of this demand will be met by the 560 units currently under construction, which are expected to enter the market during the first year of the forecast period. Any additional production should be delayed so that units enter the market toward the end of the forecast period. Demand is expected to be strongest for moderately priced one- and two-bedroom units with gross monthly rents ranging from \$780 to \$830 and from \$920 to \$970, respectively. Table 5 shows estimated demand for new market-rate rental housing in the HMA categorized by rent levels and the number of bedrooms.

Figure 9. Multifamily Building Permits Issued in the Shreveport-Bossier City HMA, 1990 to 2008



Notes: Includes all multifamily units in structures with two or more units. Includes data through June 2008.
 Source: U.S. Census Bureau, Building Permits Survey

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Shreveport-Bossier City HMA, July 1, 2008 to July 1, 2011

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
780	375	920	750	1,100	125
830	330	970	625	1,150	115
880	300	1,020	570	1,200	100
930	275	1,070	510	1,250	90
980	240	1,120	445	1,300	75
1,030	205	1,170	375	1,350	65
1,080	170	1,220	315	1,400	55
1,180	135	1,320	255	1,500	40
1,280	110	1,420	165	1,600	30
1,380	85	1,520	115	1,700	20
and higher		and higher		and higher	

Notes: Distribution above is noncumulative. Demand shown at any rent represents demand at that level and higher.
 Source: Estimates by analyst

Data Profile

Table DP-1. Shreveport-Bossier City HMA Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Resident Employment	145,417	154,026	161,400	0.6	0.6
Unemployment Rate (%)	5.9	4.1	4.4		
Nonfarm Employment	134,800	168,100	180,100	2.2	0.9
Total Population	334,341	350,471	375,800	0.5	0.8
Total Households	123,966	134,602	149,400	0.8	1.3
Owner Households	80,544	87,999	97,300	0.9	1.2
Percent Owner (%)	65.0	65.4	65.1		
Renter Households	43,422	46,603	52,100	0.7	1.4
Percent Renter (%)	35.0	34.6	34.9		
Total Housing Units	142,609	148,582	160,805	0.4	1.0
Owner Vacancy Rate (%)	4.1	1.8	1.5		
Rental Vacancy Rate (%)	14.1	10.9	6.0		
Median Family Income	\$28,095	\$40,216	\$49,673	3.7	2.7

Notes: Employment data represent annual averages for 1990, 2000, and the 12 months through June 2008. Median family income data are for 1989, 1999, and 2007.

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: 7/1/2008—Analyst's estimates

Forecast period: 7/1/2008–7/1/2011—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.

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

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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.