

**NEW ORLEANS METRO  
SLOWER GROWTH**

The suburban market, where 75% of the population resides, had substantial appreciation in 2016. Table One compares the second half 2016 prices per foot of living area by parish to the second half average price per foot as of December 2015.

The Metro New Orleans average prices including the City of New Orleans have risen from \$120 per foot in 2015 to \$126 per foot at year end 2016. Prices rose by 5% in the past per year for the Metro area as a whole. They also rose by 5.3% in 2015 versus 2014.

City of New Orleans prices increased from \$172 in December 2015 to \$177 per foot in December 2016. Prices in the City of New Orleans recently began to stabilize with a 2.6% increase in 2016. After a large increase in 2015 price appreciation (+13.9%) began to slow in Orleans to 2.6% a year or a \$177 per foot average price in 2016.

**TABLE ONE  
METROPOLITAN NEW ORLEANS HOUSING PRICES PER FOOT  
AUGUST 2005 TO DECEMBER 2016  
AVERAGE OR BETTER CONDITION**

<b>Parish</b>	<b>August 2005</b>	<b>December 2014</b>	<b>December 2015</b>	<b>December 2016</b>	<b>Change 2015 vs. 2016</b>	<b>Change 2014 vs. 2015</b>
Orleans	\$114	\$151	\$172	\$177	2.6%	13.9%
Jefferson	\$105	\$106	\$107	\$116	8.2%	3.8%
St. Tammany	\$103	\$110	\$114	\$117	2.9%	3.6%
Tangipahoa	\$79	\$88	\$92	\$93	1.5%	4.5%
St. Bernard	\$77	\$75	\$79	\$90	13.5%	5.3%
Plaquemines	\$112	\$126	\$122	\$130	7.3%	-3.3%
St. Charles	\$93	\$103	\$108	\$108	0%	4.9%
St. John	\$86	\$77	\$80	\$88	10.7%	3.9%
<b>Metro Area</b>	<b>\$102</b>	<b>\$114</b>	<b>\$120</b>	<b>\$126</b>	<b>5%</b>	<b>5.3%</b>

However the larger population, suburban parishes of Jefferson and St. Tammany had modest overall appreciation during these 10 years and in the past year. Jefferson prices per foot were an affordable \$105 before Katrina and they averaged \$116 per foot in the second half of 2016. In 2016 Jefferson prices rose by 8.2% after rising by 3.8% in 2015. St. Tammany prices rose by 2.9% in 2016 after rising by 3.6% in 2015. Jefferson and St. Tammany average prices per foot of living area are both at the \$116 to \$117 per foot level. This has been a buying opportunity to reside in a parish with usually good employment growth, a well developed retail base and modern housing stock at an affordable price. Jefferson Parish lacks the 24/7, historic ambience of Orleans and is more distant from the growth of the Central Business District and Medical District.

St. Tammany has an affordable, modern housing stock, but it has an hour commute from residences, if they work in Jefferson or Orleans. Employment has steadily grown in St. Tammany along with gradual population growth which allows less commuting to be necessary.

Tangipahoa offers very affordable house prices of \$93 per foot in 2016 with only 1.5% rate of appreciation.

Since July 2015 more rapid price appreciation was occurring for all of these smaller suburban parishes. The growth of Mississippi River oriented, industrial firms (steel, chemicals, oil products, natural gas products) had begun to attract households to these high paying jobs with good fringe benefit programs. However the world-wide collapse in oil and natural gas price has slowed job growth and wage increases. A huge expansion in industrial plant facility construction is also occurring from St. Charles to Iberville Parish. Still, the low oil price of \$54 per barrel has not generated much employment growth and there have been widespread employment losses in Metro New Orleans since June 2016.

The recent 75% decline in oil price and similar decline in natural gas prices is also slowing but not stopping the rate of new industrial construction along the Mississippi River.

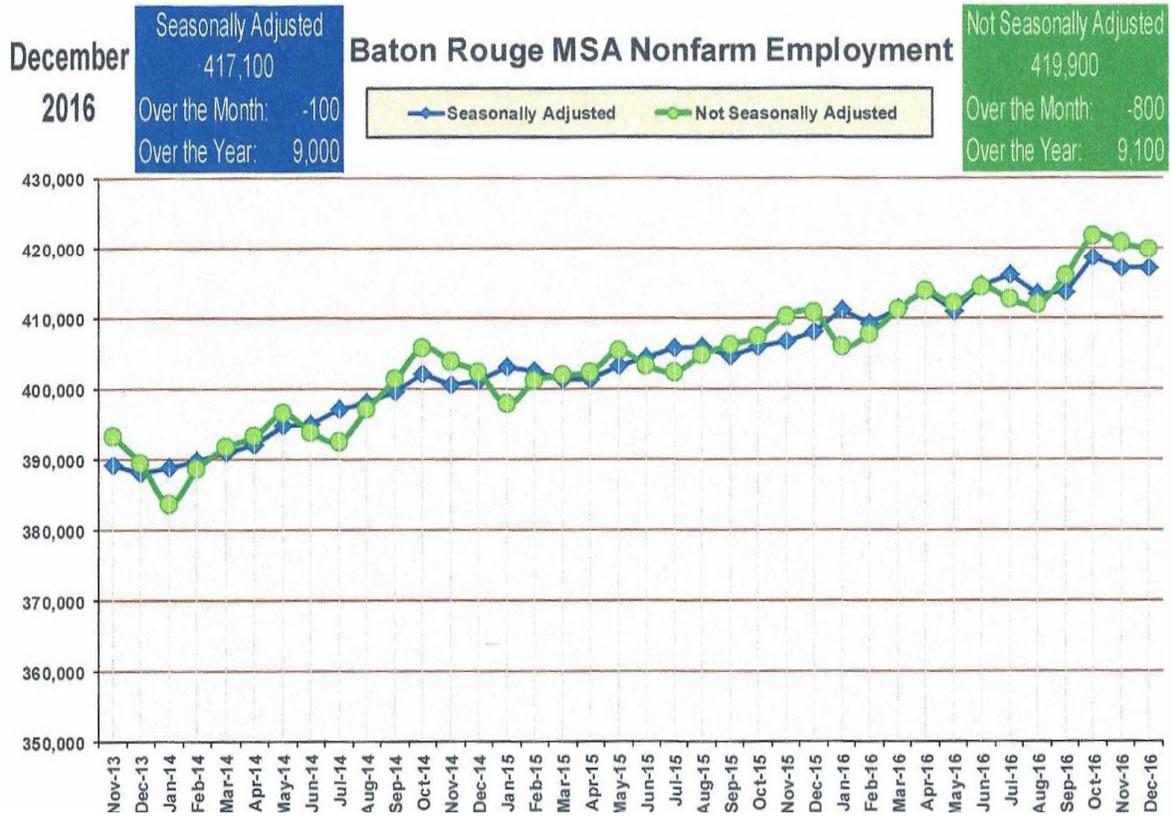
There has also been a surge in new business startups, technology oriented employment, hotel/restaurant/tourism employment, international trade and medical employment in the New Orleans area.

In Orleans, St. John and St. Bernard the to-be-renovated housing in fair to poor condition is not in the metro area average prices. This makes the sales data more consistent for comparisons with other parishes (Jefferson, St. Tammany, Tangipahoa, St. Charles, Plaquemines). However our average prices per foot of living area will be a little higher with the to-be-renovated houses omitted. For example the Latter and Blum 2016 annual market measure report has a \$124 average price per foot for the metro New Orleans area with the fair to poor condition to-be-renovated housing in their data. Our average price per foot is \$126 without the fair to poor to-be-renovated housing in areas subject to flooding by Katrina (Orleans and St. Bernard) or subsequently in St. John. The price level analyses of NOMAR and Latter & Blum have similar results.

## CIVILIAN LABOR FORCE (Not Seasonally Adjusted)

Area	December 2016			November 2016			December 2015		
	Employed	Unemployed	Rate	Employed	Unemployed	Rate	Employed	Unemployed	Rate
<b>UNITED STATES</b>	<b>151,798,000</b>	<b>7,170,000</b>	<b>4.5</b>	<b>152,385,000</b>	<b>7,066,000</b>	<b>4.4</b>	<b>149,703,000</b>	<b>7,542,000</b>	<b>4.8</b>
<b>LOUISIANA</b>	<b>1,977,007</b>	<b>112,570</b>	<b>5.4</b>	<b>1,991,666</b>	<b>116,658</b>	<b>5.5</b>	<b>2,006,145</b>	<b>106,188</b>	<b>5.0</b>
<b>ALEXANDRIA MSA</b>	<b>60,881</b>	<b>3,789</b>	<b>5.9</b>	<b>61,518</b>	<b>3,823</b>	<b>5.9</b>	<b>62,413</b>	<b>3,365</b>	<b>5.1</b>
Grant	7,664	571	6.9	7,742	514	6.2	7,860	500	6.0
Rapides	53,217	3,218	5.7	53,776	3,309	5.8	54,553	2,865	5.0
<b>BATON ROUGE MSA</b>	<b>403,086</b>	<b>19,223</b>	<b>4.6</b>	<b>406,429</b>	<b>20,150</b>	<b>4.7</b>	<b>399,929</b>	<b>17,295</b>	<b>4.1</b>
Ascension	58,486	2,698	4.4	58,971	2,763	4.5	57,991	2,377	3.9
East Baton Rouge	226,471	10,508	4.4	228,345	11,105	4.6	224,492	9,426	4.0
East Feliciana	7,900	394	4.8	7,964	411	4.9	7,853	371	4.5
Iberville	13,651	884	6.1	13,769	845	5.8	13,605	838	5.8
Livingston	64,999	3,040	4.5	65,534	3,262	4.7	64,536	2,656	4.0
Pointe Coupee	9,603	574	5.6	9,685	599	5.8	9,625	525	5.2
St. Helena	4,202	305	6.8	4,237	305	6.7	4,185	301	6.7
West Baton Rouge	12,575	610	4.6	12,680	629	4.7	12,458	575	4.4
West Feliciana	5,199	210	3.9	5,244	231	4.2	5,184	226	4.2
<b>HAMMOND MSA</b>	<b>49,266</b>	<b>3,206</b>	<b>6.1</b>	<b>49,674</b>	<b>3,232</b>	<b>6.1</b>	<b>49,808</b>	<b>3,052</b>	<b>5.8</b>
Tangipahoa	49,266	3,206	6.1	49,674	3,232	6.1	49,808	3,052	5.8
<b>HOUMA-THIBODAU MSA</b>	<b>87,903</b>	<b>5,435</b>	<b>5.8</b>	<b>88,689</b>	<b>5,582</b>	<b>5.9</b>	<b>90,862</b>	<b>4,847</b>	<b>5.1</b>
Lafourche	41,373	2,404	5.5	41,737	2,494	5.6	42,710	2,077	4.6
Terrebonne	46,530	3,031	6.1	46,952	3,088	6.2	48,152	2,770	5.4
<b>LAFAYETTE MSA</b>	<b>199,570</b>	<b>13,004</b>	<b>6.1</b>	<b>201,203</b>	<b>13,505</b>	<b>6.3</b>	<b>208,774</b>	<b>12,310</b>	<b>5.6</b>
Acadia	22,642	1,578	6.5	22,837	1,608	6.6	23,831	1,467	5.8
Iberia	27,581	2,446	8.1	27,805	2,482	8.2	28,931	2,290	7.3
Lafayette	105,654	5,838	5.2	106,506	6,210	5.5	110,236	5,585	4.8
St. Martin	21,015	1,504	6.7	21,197	1,556	6.8	22,035	1,421	6.1
Vermilion	22,678	1,638	6.7	22,858	1,649	6.7	23,741	1,547	6.1
<b>LAKE CHARLES MSA</b>	<b>97,364</b>	<b>4,482</b>	<b>4.4</b>	<b>98,785</b>	<b>4,654</b>	<b>4.5</b>	<b>97,075</b>	<b>4,305</b>	<b>4.2</b>
Calcasieu	93,916	4,343	4.4	95,287	4,508	4.5	93,629	4,179	4.3
Cameron	3,448	139	3.9	3,498	146	4.0	3,446	126	3.5
<b>MONROE MSA</b>	<b>75,596</b>	<b>4,418</b>	<b>5.5</b>	<b>76,054</b>	<b>4,581</b>	<b>5.7</b>	<b>76,114</b>	<b>4,098</b>	<b>5.1</b>
Ouachita	67,013	3,885	5.5	67,415	4,025	5.6	67,387	3,581	5.0
Union	8,583	533	5.8	8,639	556	6.0	8,727	517	5.6
<b>NEW ORLEANS-METairie MSA</b>	<b>559,615</b>	<b>28,258</b>	<b>4.8</b>	<b>561,764</b>	<b>29,801</b>	<b>5.0</b>	<b>563,501</b>	<b>27,403</b>	<b>4.6</b>
Jefferson	205,258	9,928	4.6	206,052	10,409	4.8	206,617	9,633	4.5
Orleans	166,779	8,877	5.1	167,412	9,507	5.4	167,860	8,735	4.9
Plaquemines	9,568	488	4.9	9,610	515	5.1	9,734	441	4.3
St. Bernard	17,842	1,007	5.3	17,911	1,066	5.6	18,013	950	5.0
St. Charles	23,960	1,176	4.7	24,052	1,204	4.8	24,124	1,128	4.5
St. James	8,924	669	7.0	8,961	613	6.4	9,010	629	6.5
St. John the Baptist	18,795	1,253	6.3	18,869	1,207	6.0	18,913	1,215	6.0
St. Tammany	108,489	4,860	4.3	108,897	5,280	4.6	109,230	4,672	4.1
<b>SHREVEPORT-BOSSIER CITY MSA</b>	<b>176,260</b>	<b>10,751</b>	<b>5.7</b>	<b>177,517</b>	<b>11,359</b>	<b>6.0</b>	<b>179,760</b>	<b>10,351</b>	<b>5.4</b>
Bossier	53,022	2,649	4.8	53,403	2,841	5.1	54,092	2,569	4.5
Caddo	99,534	6,306	6.0	100,240	6,628	6.2	101,455	6,015	5.6
De Soto	9,865	699	6.6	9,936	733	6.9	10,090	678	6.3
Webster	13,839	1,097	7.3	13,938	1,157	7.7	14,123	1,089	7.2
<b>NON-MSA PARISHES</b>									
Allen	8,138	524	6.0	8,256	528	6.0	8,254	494	5.6
Assumption	8,291	696	7.7	8,361	682	7.5	8,956	648	6.7
Avoyelles	14,291	1,028	6.7	14,426	967	6.3	14,689	972	6.2
Beauregard (DeRidder MC)	13,657	865	6.0	13,955	837	5.7	14,193	777	5.2
Bienville	5,112	375	6.8	5,149	384	6.9	5,347	383	6.7
Caldwell	3,629	263	6.8	3,649	267	6.8	3,733	253	6.3
Catahoula	2,978	253	7.8	2,999	256	7.9	3,327	268	7.5
Claiborne	5,463	359	6.2	5,483	363	6.2	5,631	356	5.9
Concordia (Natchez, MS-LAMC)	6,541	560	7.9	6,598	544	7.6	6,918	500	6.7
East Carroll	1,826	253	12.2	1,859	220	10.6	1,907	230	10.8
Evangeline	11,464	790	6.4	11,545	818	6.6	11,784	786	6.3
Franklin	6,398	616	8.8	6,459	566	8.1	6,774	619	8.4

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**SINGLE-FAMILY HOUSING PRICE TRENDS  
NEW ORLEANS METRO AREA  
Second Half 2015 & 2016**

**Properties Surveyed**

Housing sales are grouped by five digit zip code. These are sales with a Realtor providing sales services and not owner sold properties. Generally, no more than two units compose the property sold. These are all residential housing units without commercial portions or a commercial first floor for the property. The reported information is the address, date of sale, five digit zip code, living area, price paid, climate controlled living area and overall condition of the property. The sales data is as reported by the Realtor for the listing which is not further verified in this analysis. Living areas are approximate and the condition of the property is based on the judgment of the Realtor.

The zip code level average sales prices, living area, sales price per foot of living area and number of houses sold are presented for second half 2015 and second half of 2016. I have no right to distribute data from GSREIN except with their permission. I am allowed to aggregate the housing sales for specific time periods, half years or whole years, into average price and average price per foot of living area for entire zip code areas. More detailed analyses can only be provided by written permission of GSREIN and the New Orleans Metropolitan Association of Realtors.

Due to the extensive damage caused by Hurricane Katrina in 2005 geographies with large standing stocks of not renovated, damaged houses were broken into two categories. Average to excellent condition or new houses were separately analyzed as being indicative of typical house price levels which could be compared to prior years of typical housing in that geography. Houses in zip code areas with substantial flood-caused housing damage described as being in Fair or Poor condition were separately analyzed and labeled not renovated.

Usually these houses sold for prices far below the average price of houses which had been renovated or which were not substantially flood damaged. No field inspection effort to verify the condition of these houses occurs by this analyst before including them in the Damaged or not-renovated category. The Realtor condition and geographic location are the basis of the categorization. Similar standards for categorizing damaged or non-renovated housing are applied in St. Bernard, Orleans and St. John Parishes (Isaac impacts).

Price appreciation is measured by the change in sales price per foot of living area from one time period to the next. House sizes sold vary substantially between zip codes and also within the same zip code over time. The average sales price per foot of living area removes shifts of house prices due to simple changes in sample composition due to substantial shifts in housing living area from one period to the next. The author is Wade R. Ragas, PhD, MAI, SRA who tabulates this data for the New Orleans Metropolitan Association of Realtors.

## **METROPOLITAN NEW ORLEANS HOUSING PRICES**

Average or better condition houses rose 5% per year from December 2015 to December 2016 (\$120 rose to \$126 per foot - Table One). The metro average single family house sold in second half 2016 for \$259,485 for a 1,996 foot average house size. Housing prices rose in every parish of the metro area. However the rapid rise in housing prices in Orleans appears to have paused in the second half of 2016. This is not true for all neighborhoods and there are many areas with higher and lower prices in Orleans in second half of 2016 than in 2015.

### **Orleans Parish**

City of New Orleans average prices has begun to stabilize. The average price per foot is \$177 in Orleans. The average sales price fell from \$356,047 during 2015 to approximately \$353,400 in second half 2016. However, after controlling for living area the average price rose by 2.6% in second half 2016. Most of the average house price decrease was due to living area declines. The high prices of average to good condition housing are making the costs of renovations financially feasible in many areas of Orleans Parish that had little renovation activity in the past decade. At some point as interest rates eventually rise and employment growth slows (as it is now), a slowing in the rate of change of prices in Orleans becomes likely. It is possible price per foot of living area has begun to stabilize in Orleans. Geographies close to the center of New Orleans such as the CBD, Mid-City, Warehouse District, Marigny, Uptown, the Lake Front, Mid-City and Bywater had the largest increases in housing prices. This is still a price increase of 2.6% from \$172 per foot (2015) to \$177 per foot (2016).

Small price increases or decreases occurred in zip codes in Eastern New Orleans from 70126 to 70129. These neighborhoods are now in the early stages of a broad revitalization that is attracting new retail stores, the new hospital, new medical offices and service providers.

### **Jefferson Parish**

Prices rose to \$116 per foot of living area in second half 2016 and a \$209,700 average price or about 8.2% price increase. Jefferson housing prices as a whole are now 10.5% above the pre-Katrina level of \$105. Jefferson had 3,946 or more house sales rate per year in 2016 which would be similar to the St. Tammany sales pace of 3,823 and 2,948 in Orleans.

Affordable housing availability throughout Jefferson for households earning at the average income level is very good with little price change over the past 11 years (1% a year).

Housing prices in only East Jefferson began rising by zip code at a 2% to 6% rate in 2015 and continued to rise in 2016 at a 4% to 7%. The average house price was \$209,700 in second half 2016.

Westbank Jefferson had begun to rise in price after having downward pressure on prices for the past three years (zip codes 70053 to 70094). The impacts of the Avondale closure may have now been fully felt in the housing market. West Jefferson continues to be a volatile housing market with a mixture of small price increases and decreases. Overall West Jefferson

average prices are still often below or near pre-Katrina levels but are now rising. It is an inexpensive, very affordable housing market. Redevelopment of Avondale is essential for the economic recovery of West Jefferson.

### **St. Tammany Parish**

Prices rose by only 1.4% as of second half 2016 after also rising by 3.6% in 2015. From July to December 2016 an average house price was \$249,600 with a \$117 price per foot. Eastern St. Tammany prices (zip codes 70452 to 70461) averaged about \$99 per foot. Western St. Tammany (zip codes 70420 to 70448) had an average prices per foot of about \$122. The 20% or higher difference in average house price in Western St. Tammany versus the Slidell area makes it very affordable for moderate income buyers. It works to the detriment of attracting upper-income home buyers to Eastern St. Tammany who have been more focused on Western St. Tammany. The high rate of housing affordability in Eastern St. Tammany has attracted more housing demand and appreciation in 2016 than any period since Katrina. The Eastern St. Tammany new construction housing market has also begun to strengthen in 2016.

### **Tangipahoa Parish**

Average housing prices grew from \$92 per foot in 2015 to \$93 per foot for Tangipahoa for second half 2015 (1.5% appreciation). Areas close to Hammond/Ponchatoula in zip code 70454 stabilized at a \$180,333 average price or \$101 per foot. Tangipahoa remains a very affordable location for first-time buyers as is the Slidell area, St. Bernard, parts of the Westbank, Eastern New Orleans, Laplace and Westbank St. Charles. For a southern city with growing employment, the metro area with many large housing markets remains a surprisingly affordable, suburban housing market. There has been slow, steady, overall price appreciation since Katrina (\$79 in 2005 vs. \$93 in second half 2016) or about 1% per year for the past eleven years in Tangipahoa. (A similar rate to Jefferson Parish)

### **St. Charles Parish**

The River Parishes may be beginning to feel the economic benefit of the gradual construction of over \$40 billion in facilities between Baton Rouge and Venice. However, the sudden two year plunge in crude oil prices is slowing down the start of some new large projects or their rate of construction. Average house prices did not rise between second half 2016 and 2015 but stayed at \$108 per foot of living. The Ormond (70047) area also had little price appreciation of 1.2%. Overall a slow recovery is underway. Ormond provides housing prices that are similar to East Jefferson, but have larger lots.

Westbank St. Charles is beginning to have price appreciation. The Luling area (70070) had a 1% average price increase. Petrochemical facility growth in St. Charles and upriver of St. Charles (St. John, St. James, Ascension) continues to mitigate the loss of over 3,000 jobs at Avondale. Prices in St. Charles have stabilized on the East and West Banks.

### **St. John Parish**

Recovery from Hurricane Isaac storm flooding has taken several years. Laplace (70068) rose to \$90 in 2016 per foot from \$80 per foot of living area in 2015 for a 11.4% increase for the year. Appreciation in 2016 for St. John as a whole was 10.7% (due to LaPlace gains). A \$141,200 average house price in second half 2015 was eclipsed by a \$162,600 average house price in second half 2016. Sales volume is back to levels before Isaac struck. St. John damaged houses had an average of \$38.87 per foot price which is an affordable cost for the shell building and lot before repairs depending on the extent of the water damage and mold within the house. A \$50 per foot repair cost would place recently renovated houses at about \$89 per foot for renovated housing. This is similar to the actual average condition house prices. The actual average house price in 2016 was about \$89 per foot. Renovated house sales rose to 77 house sales in all of 2016 from 36 in second half 2015 or a 72 house pace.

### **St. Bernard Parish**

Prices rose 13.5% for average or better quality homes to \$90 per foot of living area for second half 2016 compared to \$79 per foot in 2015. The 36 months of rising house prices since mid 2013 are an encouraging sign of growing consumer confidence in St. Bernard. At the same time the inventory of vacant to-be-renovated houses fell by only 34 units. From 2014 to 2015 damaged houses to be renovated had a price level of \$27 to \$32 per foot in St. Bernard. By 2016 damaged house prices averaged \$49 per foot of living area. Generally, houses are still being bought to be renovated, but at low numbers of units per year. Thousands of houses have already been torn down and thousands of lots have been sold and more will be sold through the Lot Next Door Program. The \$90 per foot of living area average price is a house of \$152,400 which is a record high average price for St. Bernard.

There is a sustained recovery in house price within St. Bernard since 2012. St. Bernard needs to attract River-oriented firms, who historically pay higher wages, to maintain their recovery in housing prices. Job growth is the key element for a sustained recovery in all the parishes of the Metro New Orleans area.

### **Plaquemines Parish – Belle Chasse only not rest of Westbank**

Only the Westbank of Plaquemines Belle Chasse area is adequately represented in the MLS sales. In second half 2016, prices rose by 7.3% to \$130.38 from second half 2015 price of \$121.53 per foot. This is a higher average sales price than East or West Jefferson, most of St. Tammany and most of St. Charles. It remains a small 90 or so Realtor assisted sales per year housing market. Price appreciation resumed in 2016 after a pause in 2014 and 2015.

## HIGHEST PRICED AREAS

Orleans Parish continued to have the highest average house prices. Zip codes with prices generally above \$175 per foot of living area were in Orleans and a few above \$130 per foot in St. Tammany and Jefferson:

### Orleans

Zip Code	Second Half 2016	Second Half 2015	Change 2015-2016
70112	\$307	\$321	-4.3%
70113	\$152	\$193	-21.1%
70115	\$273	\$274	-0.6%
70116	\$336	\$302	11.1%
70117	\$183	\$173	5.8%
70118	\$239	\$233	2.5%
70119	\$200	\$192	3.8%
70124	\$201	\$193	3.9%
70125	\$177	\$165	7.2%
70130	\$319	\$241	32.1%

### Jefferson

Zip Code	Second Half 2016	Second Half 2015	Change 2015-2016
70002	\$144	\$129	11.3%
70005	\$198	\$196	0.9 %
70121	\$141	\$122	15.3%
70123	\$141	\$133	6.0%

### St. Tammany

Zip Code	Second Half 2016	Second Half 2015	Change 2015-2016
70447	\$134	\$134	-0.5%
70437	\$124	\$124	0.0%
70471	\$129	\$126	3.1%
70433	\$128	\$129	-0.4%

Steady rates of price appreciation continued for the most expensive parts of the housing market in Orleans, Jefferson and St. Tammany. The Metro housing market is in three parts with a large geography of affordable housing (below \$95 a foot), and a large geography of above average priced housing per foot (over \$140 per foot) and a third group in the middle with prices of \$95 to \$140 per foot that is still affordable housing at today's very low interest rates for average income households.

The next page addresses locations with large amounts of affordably priced housing.

**TABLE FOUR  
LEAST EXPENSIVE AREAS**

Numerous zip code areas continue to offer single-family houses priced below \$95 per foot or about 25% below the average metro price per foot of \$126:

<b>Price Change</b>	<b>Parish</b>	<b>Zip Code/Price Per Square Foot</b>
Rising	Orleans	70126 (\$78), 70127 (\$74), 70128 (\$85), 70129 (\$77) (Eastern New Orleans)
Small Increases	Jefferson:	70053 (\$89), 70056 (\$82), 70058 (\$76), 70067(\$82),70072 (\$89), 70094 (\$62) (Western Jefferson)
Stable	St. Tammany	70445 (\$89), 70452 (\$99), 70458 (\$100- Slidell, 70460 (South Slidell - \$89) prices in Slidell and Eastern St. Tammany are now often somewhat above \$90 per foot but are still relatively affordable.
Stable	Tangipahoa	70401(\$83), 70422 (\$81), 70443 (\$68), 70466 (\$92), 70444 (\$61), 70455 (\$89), 70456 (\$83), 70466 (\$88)
Rising	St. John	70051 (\$73), 70084 (\$66) (Laplace and Reserve), 70068 (\$90)
Stable	St. Charles	70030 (\$89), 70039 (\$82), 70087 (\$99), Westbank, 70079 (\$99)
Large Increase	St. Bernard	70043 (\$87), 70092 (\$84), 70075 (\$92), 70085 (\$90)

Jefferson had small increases in their most affordable housing areas.

Large increases in house prices in the formally affordable areas of St. Charles has removed large parts of this parish from being priced below \$95 per foot of living area.

Tangipahoa and Eastern St. Tammany still offer large geographies priced below \$90 per foot of living along with large parts of Western Jefferson and Eastern New Orleans.

Overall there are numerous parts of the metro housing market priced below \$90 per foot which for a typical 1,850 foot house is a \$166,500 house price. This is far below the typical average house price of about \$259,000 for the metro area for a 1,850 foot house

## RENOVATION PACE

In second half of 2016 only 210 existing houses in fair or poor condition with street flooding were identified as having been renovated. In all of 2015 there were about 400 houses sold in similar locations and condition. The first half of 2016 attracted about 344 houses sold to be renovated with a Realtor assisting the transaction. The 2016 renovation pace was 554 houses. Flood damaged house renovations are 10% to 25% of the housing sales market in Orleans St. John and St. Bernard. After 12 years the renovation of long-term, abandoned and usually flood damaged housing is still continuing at a steady, but slowing pace. It is the second largest new construction market led by Western St Tammany and followed by Orleans Eastbank. To be renovated properties are now about 5% of all the existing houses sold by Realtors. It is still a significant neighborhood rebuilding activity in Orleans with usually over 400 houses per year renovated and sold (at the current sales rate in 2016). St. John Parish is about 70 houses per year sold to be renovated. Nearly 12 years after Katrina there are still affordable housing opportunities for individuals and investors to buy inexpensively not renovated houses and then renovate to modern standards with a profit earned in the process. St. Bernard is only 30 or so houses per year to be renovated after being sold by a Realtor.

The Orleans market remains an opportunity for households able to design, oversee and finance housing renovations. The lower finished market prices for renovated housing in St. John and St. Bernard make the economics of renovation less favorable in those parishes but still profitable by owner-occupants.

The to-be-renovated house prices in Orleans are very volatile at a zip code level. Renovations have spread to areas of zip codes (neighborhoods) with more long term abandonment before Katrina making prices seem lower. Simultaneously many areas of more expensive housing properties with long-term, low vacancy, but in fair to poor condition are now being renovated. The renovations are affecting long term vacant as well as Katrina caused vacancy in many areas in the Crescent of New Orleans on the Eastbank and Lakeview and now many parts of Mid-City and Center City, Bywater and Treme and the Bayou St. John area.

Prices for to-be-renovated properties are erratic (see Fair/Poor Condition House Sales Table for Orleans Parish). The highest sales volumes are in zip codes 70114 (near the CBD), 70127 and 70128 (East New Orleans), 70126 (Gentilly and East New Orleans) and 70131 (Algiers).

**TABLE FIVE  
METROPOLITAN NEW ORLEANS TO-BE-RENOVATED HOUSING PRICES  
COMPARISON OF SECOND HALF 2015 TO SECOND HALF 2016**

	<b>December 2015 Price/Ft.</b>	<b>December 2016 Price/Ft.</b>	<b>Change</b>
<b>Parish</b>			
<b>Orleans</b>	\$51.31	\$64.18	25.1%
<b>Units Sold</b>	197	159	-19.3%
<b>St. Bernard</b>	\$29.65	\$49.16	65.8%
<b>Units Sold</b>	15	16	6.7%
<b>St. John</b>	\$37.54	\$38.87	3.5%
<b>Units Sold</b>	36	35	-2.7%
<b>Average Price/Ft.</b>	\$48	\$58.82	22.9%
<b>Total Units</b>	248	210	-15.3%

**More neighborhoods which had high vacancy rates prior to Katrina are now being redeveloped through renovations. These are often houses with termite damages and years of neglect that have made the remaining structural members more expensive to renovate and therefore worth less to purchase as they are.**