

RESIDENTIAL REAL ESTATE TRENDS

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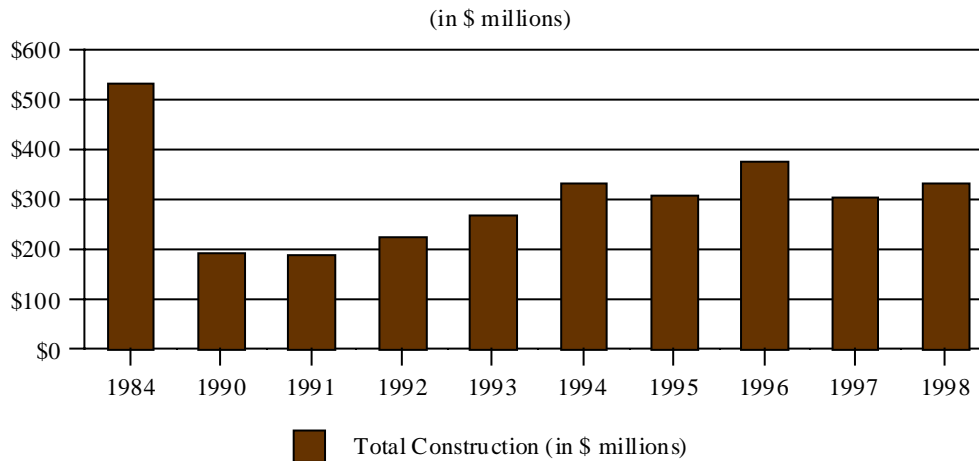
NEW CONSTRUCTION

Home sales in the East Baton Rouge Parish Metropolitan Area have shown extremely strong growth in recent years. **Fannie Mae (FNMA), the Nation's largest purchaser of home loans, predicts Baton Rouge will lead the Nation in new home permits for 1998.** East Baton Rouge construction characteristics are noted below. Note the \$7 million increase from 1997 to 1998 which represents an 8% increase in residential permits.

EAST BATON ROUGE PARISH CONSTRUCTION STATISTICS

Construction Permits (in millions of dollars)	1984 (Peak)	1990	1991	1992	1993	1994	1995	1996	1997	1998
New Commercial	\$162	\$55	\$34	\$33	\$64	\$91	\$114	\$168	\$119	\$102
Commercial Additions	\$75	\$50	\$55	\$60	\$62	\$87	\$75	\$51	\$79	\$86
Apartments	\$121	\$0.3	\$7	\$10	\$7	\$27	\$22	\$43	\$8	\$30
Houses	\$137	\$72	\$77	\$105	\$117	\$110	\$82	\$98	\$85	\$92
Residential Additions	\$18	\$11	\$11	\$12	\$11	\$11	\$12	\$11	\$13	\$16
Townhouses	\$7	\$0	\$0	\$0.3	\$1.6	\$1.5	\$0.6	\$0	\$0.6	\$0
Duplexes	\$4	\$0	\$0.1	\$0	\$0	\$0.5	\$0	\$0	\$1	\$0
Accessory Construction	\$7	\$4	\$4	\$4	\$4	\$4	\$5	\$0	\$6	\$6
Totals	\$531	\$192	\$188	\$224	\$267	\$332	\$310	\$377	\$304	\$332

Total Construction in Baton Rouge



AVERAGE SALE PRICE PER HOME

Average home prices reported to MLS also continues to increase. Statistical data is noted below.

Year	1993	1994	1995	1996	1997	1998
Average	\$91,606	\$95,048	\$101,939	\$105,428	\$110,548	\$119,064

HOME SALES

MLS reports significant increases in home sales for 1998. Home sales listed in the eight parish MLS area showed 1998 set a new record for dollar volume, \$845.6 million. This indicates a 13% increase over 1997 figures of \$660.4 million. 1997 showed an increase of 8% over 1996's total. Historical sales volume for residential sales in Ascension, Livingston, and East Baton Rouge, reported to MLS are noted below.

Number of Residential Sales MLS Listings Only

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Ascension Parish	212	258	262	221	291	313	418	468	489	600	659	825
Market Share	6.25%	7.41%	7.15%	5.53%	6.87%	6.87%	8.94%	9.52%	10.10%	11.32%	11.54%	12.84%
Average Sale Price	\$53,100	\$53,347	\$55,636	\$58,236	\$83,075	\$78,026	\$81,707	\$83,031	\$94,985	\$104,013	\$109,378	\$114,845
Livingston Parish	310	385	327	314	346	407	430	582	582	746	843	989
Market Share	9.14%	11.06%	8.93%	7.85%	8.17%	8.93%	9.19%	11.84%	12.02%	14.07%	14.77%	15.3%
Average Sale Price	\$54,715	\$49,398	\$52,215	\$48,964	\$55,412	\$63,316	\$68,620	\$75,804	\$82,107	\$87,805	\$90,280	\$93,890
East Baton Rouge Parish	2,869	2,839	3,074	3,463	3,597	3,836	3,830	3,866	3,770	3,955	4,207	4,641
Market Share	84.61%	81.53%	83.92%	86.62%	84.96%	84.20%	81.87%	78.64%	77.88%	74.61%	73.69%	71.9%
Average Sale Price	\$81,037	\$77,427	\$75,813	\$77,606	\$80,813	\$91,434	\$95,955	\$98,969	\$106,368	\$109,283	\$116,718	\$122,550

One very obvious trend is the increase of market share in Ascension and Livingston parishes and the decrease of market share in East Baton Rouge Parish. In 1991, Baton Rouge represented almost 85% of the total sales in the three parish area. By 1998 it has dropped to 71.9% while Livingston Parish has increased from about 8% in 1991 to 15% in 1998. Ascension went from a 6.87% share in 1991 to a 12.8% share in 1998.

East Baton Rouge will continue to lose market share due to the following:

- ◆ Governmental restrictions
 - Sewer impact fees
 - Time to have plans approved
 - Additional requirements, traffic studies, required improvement to infrastructure
- ◆ Land costs
 - Tracts for development in the early 1990's that were \$25,000-\$30,000 per acre are now in the \$40,000 per acre range with the most recent sale of Kensington Estates, 3rd Filing at \$65,000 per acre
- ◆ Schools
 - Ascension and Livingston are not affected by the Federal Government's desegregation mandate

NEW HOME LISTINGS

New home listings in Ascension and Livingston surpass new home listings in East Baton Rouge Parish. There are currently 246 new home listings in East Baton Rouge Parish and 288 new home listings in Ascension and Livingston. These are noted below.

New Home Listings

Area	Number of Listings	Price Range	Average Price Per Sqft	Range Price per Sqft	Range Size Sqft
11 Baker Zachary	21	\$89,900-\$206,900	\$77.99	\$52.88-\$95.39	1322 - 2198
21 Central North Hooper	2	\$88,000-\$99900	\$68.77	\$65.72-\$71.82	1339 - 1391
22 Central South Hooper	12	\$85,900-\$219,000	\$77.99	\$65.94-\$93.65	1196 - 2248
41 North Florida	0				
42 Broadmoor Sherwood	15	\$104,900-\$219,000	\$90.71	\$79.85-\$95.60	1277 - 2316
43 Shenandoah Whiteoak Landing	72	\$127,900-\$273,700	\$91.13	\$73.93-\$103.61	1484 - 2806
52 Riverbend Springlake	24	\$86,900-\$765,000	\$113.50	\$62.97-\$156.98	1380 - 4883
53 Oakhills CCLA	100	\$85,500-\$774,900	\$104.54	\$65.09-\$212.24	1313 - 5092
80 Livingston	28	\$86,900-\$320,000	\$119.13	\$68.43-\$158.10	1017 - 2024
81 Denham Springs	79	\$87,500-\$349,900	\$77.95	\$69.98-\$109.58	1215 - 3193
82 Walker	24	\$85,900-\$189,900	\$74.20	\$70.64-\$94.95	1215 - 2,000
90 Prairieville	89	\$94,900-\$285,900	\$82.84	\$71.41-\$109.06	1272 - 2825
91 Gonzales	40	\$86,900-\$307,900	\$83.62	\$69.26-\$118.63	1186 - 2623
92 Ascension	28	\$109,000-\$327,900	\$106.82	\$77.45-\$118.58	1017 - 2997

NEW SUBDIVISION DEVELOPMENT

All three parishes are experiencing new development for 1999. The following is a list of new development for all three parishes.

ASCENSION Subdivisions									
	Location	Completion	Total Lots	Sold	Available	Price	Size	Home Size	Home Price
Bluff Oaks	Bluff Road	May-99	64	1	63	\$62,000-\$150,000	100x270	2500-3500	\$350,000-\$450,000
Manchac Place Future Filings 5	Bluff Road @ I-10	May-99 Sep-99	39 196	39 0	0 196	\$36,500 N/A	75x145 N/A	1900-2500	\$175,000-\$225,000
Lake @ Manchac 3rd Filing Lake @ Manchac 4th Filing	Adjoining existing Sub	May-99 Sep-99	22 20	12 0	10 20	\$28,500-\$37,500 \$28,500-\$30,000	80x170 75x150	2000-2500 2000-2500	\$170,000-\$200,000 \$170,000-\$200,000
Le Chenier	Hwy 42	Feb-99	130	130	0	\$18,000-\$22,000	80x140	1800-2200	\$135,000-\$165,000
LaMonte	Bluff Road	Jun-98	18	1	17	\$56,500-\$62,500	75x145	2400-3000	\$200,000-\$250,000
Cypress Gold	Gold Place Rd.	Jun-99	54	12	42	\$20,000-\$22,000	100x150	1900-2500	\$165,000-\$185,000

EBR Subdivisions	Location	Completion	Total Lots	Sold	Available	Price	Size	Home Size	Home Price	Comments
Camellia Trace	Perkins @ Essen	Apr-99	39	10	29	N/A	45x145	2150-2160	\$250,000-\$300,000	Sold as package homes designed by Ike Capdeville
Fairhill 2nd filing Fairhill 3rd filing	Bluebonnet @ Burbank Bluebonnet @ Burbank	May-99 Sep-99	31 45	31 0	0 45	\$31,000-\$33,000 \$33,000-\$35,000	80x150 80x150	1800-2000 1800-2000	\$155,000-\$175,000 \$165,000-\$185,000	
Hampton Village First 3 Filings Hampton Village Future Filings	Joor @ Tynewood Joor @ Tynewood	Jul-99 N/A	83 157	60 0	23 157	\$32,500	100x175 100x175	2000-3500 2000-3500	\$170,000-\$200,000 \$200,000 plus	First subdivision in Central area in 12 Years
Heritage Estates 3rd Filing	Highland @ Heritage	Jun-99	33	33	0	\$69,900-\$79,900	85x160	3000-3200	\$370,000-\$380,000	All lots purchased by Dupree and Haddad
Jefferson Highlands	Adjoining Jefferson Terra	Jun-99	42	10	32	\$35,000-\$40,000	72x140	1800-2000	\$175,000-\$200,000	
Kensington 3rd Filing	Perkins @ Kensington	Jul-99	42	18	24	\$77,000-\$95,000	90x170	2400-2600	\$275,000-\$300,000	
Lakes @ Highland Lakes @ Highland	Highland @ Oakhills Garden Homes	May-99 May-99	102	70	32	\$75,000-\$90,000 \$54,000-\$65,000	85x150 45x120	2500-3000 2,000-2500	\$300,000-\$400,000 \$230,000-\$300,000	
Rose Hill 1st Filing Rose Hill 2ed Filing	Tigerbend @ Achord	Jan-99 Jul-99	42 50	42 N/A	0	\$37,000-\$40,000 Low \$40,000's	85x160 85x160	2000-2600 2000-2600	\$185,000-\$250,000 N/A	
Santa Maria Parkside Phase II Creekside	Santa Maria Santa Maria	May-99 Sep-99	39 39	8 10	31 29	\$60,000-\$80,000 \$75,000-\$125,000	60x140 100x175	2000-2500 2700-3500	\$280,000-\$340,000 \$350,000-\$400,000	Future Filings of Santa Maria include 379 lots
Spring Lake 4th Filing Spring Lake 3rd Filing	Bluebonnet @ Burbank	May-99 Sep-99	46 104	46 0	0 104	\$25,000-\$27,000 \$27,000-\$30,000	60x135 60x135	1500-1600 1500-1600	\$125,000-\$140,000 \$135,000-\$150,000	
University Club	Hwy 30	Jan-98	189	91	98	\$53,500-\$110,000	90x175	2200-3000	\$275,000-\$500,000	Extension of Bluebonnet planned

CONCLUSION

The trend is for continued growth especially in the Livingston and Ascension markets. Housing prices will continue to increase as will lot prices. Development on larger scale will take place in ascension and Livingston much like the Pelican Point project. The East Baton Rouge Parish market will continue to lose its market share while Livingston and Ascension gain market share. Prices will continue to increase at a 3% to 5% rate in both vacant lots and single family homes, in all three parishes.