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Real Estate Section
February 12, 2010

REALTORS Optimistic for 2010 Despite Last Year's Slow Market

By most accounts, 2009 was not a banner year for real estate in Louisiana and across the nation. However, REALTORS are optimistic that the state has absorbed the worst of the housing market downturn and poised for improvement this year.

"The national economic downturn caught up with Louisiana to some extent in 2009," said Michael Indest, President of the Louisiana REALTORS Association (LR). "But despite the down year, we continue to see stable home values in Louisiana and believe that we will see overall improvement in 2010."

According to LR's latest Real Estate Trends report, the number of residential sales was down 2.3% from the previous year, and total residential sales volume down 3.9%. The average home sales price in Louisiana was \$180,643, representing only a 1.6% decrease from 2008, and the average days on market increased from 95 to 100 for the year.

The most positive news comes from northeast Louisiana, where the Monroe market showed a 32.3% increase in home sales over the previous year. The state's largest metro areas of Baton Rouge (number of sales down 1.8%) and New Orleans (down 2.5%) reflected the overall state numbers, while Lafayette (down 4.1%), Shreveport-Bossier (down 4.1%), Houma-Thibodaux (down 10.3%), Central Louisiana (down 10.8%), Lake Charles (down 13.3%) were below the state average for the year. Louisiana continued to show overall stability in home values, with the average sales price increasing in Shreveport-Bossier (up 5.5%), Houma-Thibodaux (up 1.3%) and Lafayette (up 0.4%).

Fourth quarter 2009 showed a dramatic increase over fourth quarter 2008 in most areas, with a statewide increase of 19.5% in number of homes sold. Leading the way was Monroe with a 59.2% increase quarter over quarter. New Orleans showed a 24.9% increase, Shreveport-Bossier was up 21.6%, Lafayette up 21.6% and Greater Baton Rouge up 14.5%.

REALTOR leaders around the state confirmed that overall sales were down last year but are cautiously optimistic for 2010 based on what they are seeing so far. "2009 was more of a stabilizing year in our market," said David McKey, LR's Region 2 Vice President (RVP) and Broker/Owner of Coldwell Banker One in Baton Rouge. "Brokers and agents did what they needed to lower their cost, and low interest rates have really helped to keep housing afloat."

After a very slow start to the year, sales activity increased across the state as expected in the spring and summer months before dropping off in the fall. The \$8,000 First Time Homebuyer Tax Credit program provided a moderate boost around the state, but the extension of the program past the original November deadline, kept the number of sales from surging as much in the fall as originally expected. The National Association of REALTORS estimated that approximately 5,000 buyers were brought into the market by the program.

Looking ahead to 2010, REALTORS believe that loosening up financing and continued low interest rates are critical to the overall housing market's recovery. Beth Cristina, of Sterling Properties in New Orleans and Region 4 Vice President, expects the market turnaround to begin in earnest towards the end of 2010 and start of 2011. "A big help to boost the overall market would be for banks to start lending in the commercial arena," she said. "I'm optimistic, however, that commercial leasing will pick up since in most cases, you don't need a bank loan to sign a lease for office, retail or industrial space."

Louisiana's housing market avoided the crash seen in other parts of the country, and maintained a stable trend particularly through the middle and end of the year, despite overall lower numbers than the year before.

"People are adjusting to the economy and gradually starting to come back to the market," said McKey. "Agents are optimistic that 2010 will be a turnaround year."

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