Demographic and Housing Trends
In the New Orleans Metro

Presented by:
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www.gnocdc.org
Housing Production
Demographic and Housing Trends

- Katrina dramatically disrupted demographic and housing trends.

- Regional affordability problems persist in 2008.

- In 2008, the national recession stalled post-Katrina economic recovery.

- Large scale housing production is softening the New Orleans rental market.
The metro area has fewer families with children.

*Difference significant at 95% confidence interval
Increased homeownership rate indicates disproportionate return of Orleans homeowners.

Homeownership rate

- Orleans*
  - 2000: 46%
  - 2008: 53%
- Metro*
  - 2000: 61%
  - 2008: 67%
- US
  - 2000: 66%
  - 2008: 67%

*Difference significant at 95% confidence interval
Post-Katrina homeowners are less likely to pay mortgages, yet their housing costs are up 7%.

Percent of homeowners without a mortgage, 2000-2008

*Difference significant at 95% confidence interval
Homeowner costs increased 7%, renter costs increased 27% (41% in Orleans).

*Difference significant at 95% confidence interval
Median gross monthly rent, 2008, across all bedroom sizes

<table>
<thead>
<tr>
<th>City</th>
<th>Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York, NY</td>
<td>$1,044*</td>
</tr>
<tr>
<td>Las Vegas, NV</td>
<td>$1,007*</td>
</tr>
<tr>
<td>Orleans</td>
<td>$908</td>
</tr>
<tr>
<td>Baltimore, MD</td>
<td>$822*</td>
</tr>
<tr>
<td>Memphis, TN</td>
<td>$756*</td>
</tr>
<tr>
<td>Milwaukee, WI</td>
<td>$731*</td>
</tr>
</tbody>
</table>

*Renter costs in New Orleans are well above similar cities.*

*Statistically different from Orleans value at 95% confidence level.

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- In 2008, the national recession stalled post-Katrina economic recovery.
- Large scale housing production is softening the New Orleans rental market.
Orleans renters are more likely to pay at least half their income on housing than NY renters.

Percent of renters that are severely cost burdened and cost burdened, 2008

<table>
<thead>
<tr>
<th>City</th>
<th>Severe Cost Burden (&gt;50% of Income)</th>
<th>Cost Burden (31%-50% of Income)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orleans</td>
<td>41%</td>
<td>*</td>
</tr>
<tr>
<td>Memphis, TN</td>
<td>33%</td>
<td>*</td>
</tr>
<tr>
<td>Milwaukee, WI</td>
<td>30%</td>
<td>*</td>
</tr>
<tr>
<td>Baltimore, MD</td>
<td>28%</td>
<td>*</td>
</tr>
<tr>
<td>New York, NY</td>
<td>27%</td>
<td>*</td>
</tr>
<tr>
<td>Phoenix, AZ</td>
<td>25%</td>
<td>*</td>
</tr>
<tr>
<td>San Antonio, TX</td>
<td>25%</td>
<td>*</td>
</tr>
<tr>
<td>Las Vegas, NV</td>
<td>24%</td>
<td>*</td>
</tr>
<tr>
<td>United States</td>
<td>25%</td>
<td>*</td>
</tr>
</tbody>
</table>

* Severe cost burden rate statistically different from Orleans value at 95% confidence level.

Nearly all Orleans renters earning <$20K, and 86% of those earning $20-35K are cost burdened.

Percent of renters spending 30% or more of income on housing by income range, in thousands of dollars, 2008

* Statistically different from 2008 value at 95% confidence level; ** Statistically different from US value at 95% confidence level.

New Orleans renters are more likely to be cost burdened than their national peers.

Percent of renters spending 30% or more of income on housing by income range, in thousands of dollars, 2008

- **<$20**: 88% (US), 95% (Orleans) *
- **$20-35**: 66% (US), 86% (Orleans) *
- **$35-50**: 34% (US), 47% (Orleans)
- **>$50**: 10% (US), 10% (Orleans)

* Statistically different from US value at 95% confidence level.

Affordability worsened post-Katrina, and worsened even more 07-08 for lowest income HHs

Percent of renters spending 30% or more of income on housing by income range, in thousands of dollars, Orleans

- **<20**: 85% (2004), 87% (2007), 95% (2008)
- **20-35**: 40% (2004), 80% (2007), 86% (2008)
- **35-50**: 50% (2004), 47% (2007)
- **>50**: 2% (2004), 12% (2007), 10% (2008)

* Statistically different from 2008 value at 95% confidence level.

## Cost burdened Orleans renters

~ 45,000 households < 80% AMI

### Number of cost burdened renter households by income, Orleans Parish

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Percent of Renter Households by Income Range</th>
<th>Renter Households by Income Range</th>
<th>Percent in Income Range that are Cost Burdened</th>
<th>Number Cost Burdened in Income Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $20,000a</td>
<td>39%</td>
<td>28,479</td>
<td>95.3%</td>
<td>27,151</td>
</tr>
<tr>
<td>$20,000 to $34,999b</td>
<td>22%</td>
<td>16,272</td>
<td>86.2%</td>
<td>14,022</td>
</tr>
<tr>
<td>$35,000 to $49,999c</td>
<td>13%</td>
<td>9,418</td>
<td>46.9%</td>
<td>4,414</td>
</tr>
<tr>
<td>$50,000 plus</td>
<td>25%</td>
<td>18,347</td>
<td>10.3%</td>
<td>1,885</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>72,516</td>
<td></td>
<td>47,472</td>
</tr>
</tbody>
</table>

Source: GNOCDC analysis of US Census Bureau’s American Community Survey 2008 and USPS Delivery Statistics Product

a. ~<40% AMI "very low-income"

b. ~40-60% AMI "low-income"

c. ~60-80% AMI

d. U i All t h d h i t t f i t d
Some 10,000 homeowners in New Orleans earn less than $20,000 and are cost burdened.

Percent of homeowners spending 30% or more of income on housing by income range, in thousands of dollars, 2008

- **<$20**: 80.8% * Statistically different from U.S. value at 95% confidence level.
- **$20-35**: 53.9%
- **$35-50**: 36.6%
- **>$50**: 18.4% (Source: GNOCDC analysis of U.S. Census Bureau data from American Community Survey 2008.)
In the metro area, 47% of full-time year-round workers earn less than $35,000.

Full-time year-round workers by income range, New Orleans metro area

Much of our tourism workforce can afford only $440-$490 per month for rent + utilities.

Affordable rents for full–time, year–round workers (16 years+) making less than $35,000, New Orleans metro area, 2008

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number of workers</th>
<th>Median annual earnings</th>
<th>Affordable rent + utilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food preparation and serving related occupations</td>
<td>20,829</td>
<td>$17,608</td>
<td>$440</td>
</tr>
<tr>
<td>Building and grounds cleaning and maintenance occupations</td>
<td>11,217</td>
<td>$19,471</td>
<td>$487</td>
</tr>
<tr>
<td>Personal care and service occupations</td>
<td>11,524</td>
<td>$19,585</td>
<td>$490</td>
</tr>
<tr>
<td>Healthcare support occupations</td>
<td>7,795</td>
<td>$22,864</td>
<td>$572</td>
</tr>
<tr>
<td>Fire fighting and prevention, and other protective service workers including supervisors</td>
<td>5,131</td>
<td>$27,654</td>
<td>$691</td>
</tr>
<tr>
<td>Material moving workers</td>
<td>5,578</td>
<td>$27,808</td>
<td>$695</td>
</tr>
<tr>
<td>Office and administrative support occupations</td>
<td>54,474</td>
<td>$28,859</td>
<td>$721</td>
</tr>
<tr>
<td>Motor vehicle operators</td>
<td>8,793</td>
<td>$31,150</td>
<td>$779</td>
</tr>
<tr>
<td>Community and social services occupations</td>
<td>6,873</td>
<td>$34,837</td>
<td>$871</td>
</tr>
</tbody>
</table>

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• In 2008, the national recession stalled post-Katrina economic recovery.

• Large scale housing production is softening the New Orleans rental market.
The recession flattened the local jobs recovery rate.

Non-farm jobs as a percent of pre-Katrina jobs, New Orleans Metro

- Year 1: 81.0%
- Year 2: 84.6%
- Year 3: 87.1%
- Year 4: 85.3%
- Jan(p): 85.2%

Note: (p):preliminary
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Vacancies among market rate apartments increased from 8% in Aug 2007 to 13% in Sept 2009. Rents have come down.

New housing options are not only drawing additional population but appear to be sparking moves across neighborhoods. 12 neighborhoods lost > 50 households in the last year.

Source: GNOCDC analysis of Valassis Residential and Business Database
Market rate vacancies are rising but the city still has an affordability crisis.