Housing Needs Assessment

Richland and Ouachita Parishes, LA

Prepared for Grow Northeast Louisiana

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RESEARCH & CONSULTING

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Background & Objectives

Project Details

Client	Grow Northeast Louisiana
Subject	Ouachita Parish, LA and Richland Parish, LA
Study Period	April-May 2025

Objective

Assess impact of the incoming Meta AI data center and associated job creation on housing needs in the Subject Parishes. Forecast future housing needs by age and income group, considering the expected influx of temporary construction workers and permanent data center employees. Provide high-level commentary on preferred housing configurations by price point (or rent level) to meet the needs of the existing and incoming population.

Methodology

Analyze current economic, demographic, and housing market conditions in Ouachita Parish and Richland Parish to establish a baseline for housing demand. Estimate household growth above baseline forecasts associated with the construction and operations of the data center. Apply results to our proprietary rental and for-sale demand models to determine the housing impacts by age group and income profile.

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Executive Summary

We estimate that the construction and operations of the Meta data center will lead to the formation of 740 additional households (570 renter households, 170 owner households) in the region over our baseline forecast through 2029.

Base Case

Demand Drivers: Natural household growth in the region, considering current migration trends, aging population, and gradual income growth

Rental Demand:

- 2024: 25,937 Existing Renter Households
- 2029: 26,196 Projected Renter Households
- **Annual Growth: 52 Renter Households**

For-Sale Demand:

- 2024: 36,943 Existing Owner Households
- 2029: 37,313 Projected Owner Households
- **Annual Growth: 74 Owner Households**

Key Conclusions: Moderate shift from demand at lower income brackets to higher income brackets over time.

Growth Scenario

Demand Drivers: Natural household growth in the region plus additional households created by the permanent and temporary jobs related to the construction and operations of the Meta data center.

Rental Demand:

- 2024: 25,937 Existing Renter Households
- 2029: 26,765 Projected Renter Households
- **Annual Growth: 166 Renter Households**

For-Sale Demand:

- 2024: 36,943 Existing Owner Households
- 2029: 37,481 Projected Owner Households
- **Annual Growth: 108 Owner Households**

Key Conclusions: Growth is more concentrated among higher-income, working-age segments, aligning with anticipated hiring trends.

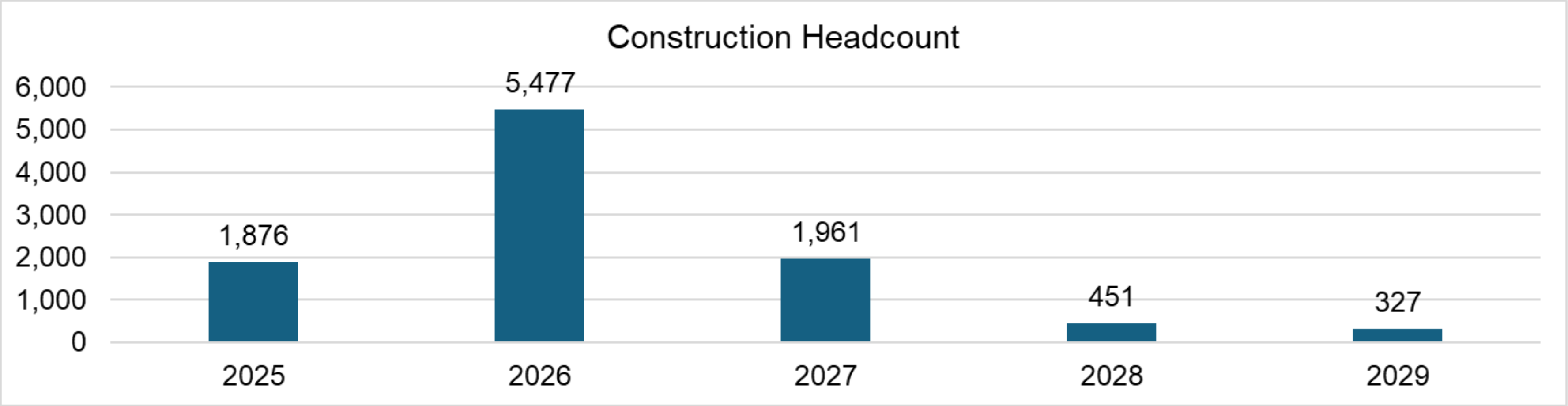
Meta Impact

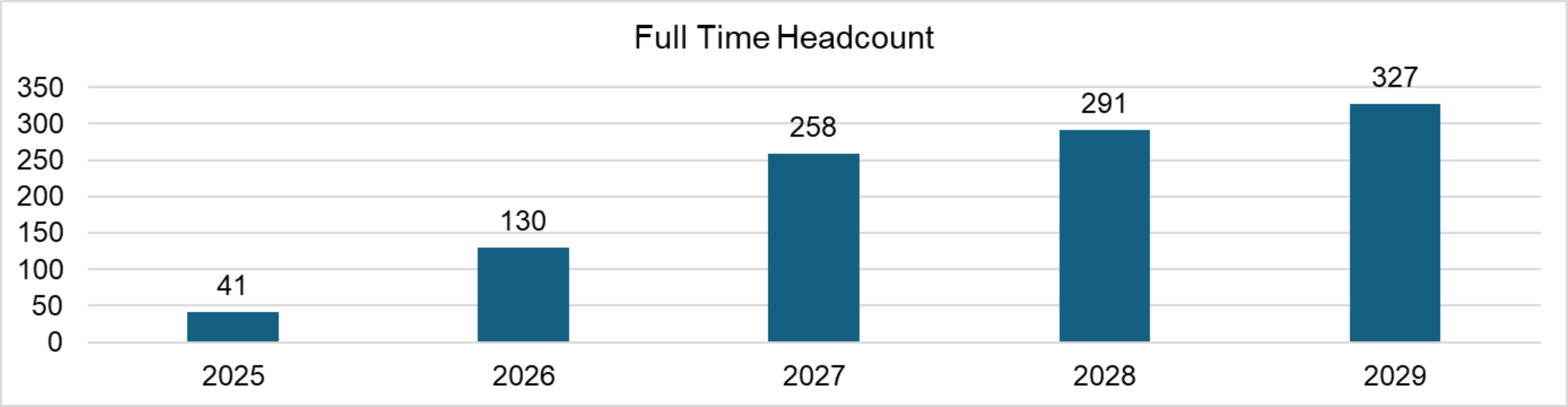
The Opportunity: Construction of the Meta data center is expected to support up to nearly 5,500 jobs at the peak of construction in 2026 and will support up to 500 permanent jobs with an average wage of at least $88K.

Key Assumptions:

- We assume each permanent job results in 0.6 additional households, and each temporary job results in 0.1 additional households.
- We assume a homeownership rate of 59.8% for households formed by permanent jobs, in line with existing homeownership rates in the region.
- We assume a rentership rate of 90% for households formed by temporary jobs, reflecting the short-term and transient nature.
- We assume all newly formed households will fall within working age groups (25-64 years old)
- We assume all newly formed households will have annual incomes of at least $50K, ranging up to $200K+ for select positions.

The Meta Data Center is expected to support up to 5,500 temporary construction jobs and up to 500 full-time employees.





Our analysis considers the difference between temporary construction workers and full-time Meta employees, as well as the hiring timeline for both employment categories.

Construction activity (measured by headcount) is expected to peak in 2026, supporting nearly 5,500 jobs at year-end. Construction activity is expected to decrease in 2027-2029, evidenced by declining headcounts during those years.

Full-time employment at the data center is expected to ramp up over time as more facilities are completed and ready to operate. By year-end 2029, 327 full-time employees are expected to be working at the data center.

Source: Client

Assumptions and Methodology

The growth scenario considers the impact of the new Meta data center, which is expected to generate over 500 permanent jobs with average salaries of $88.6K and nearly 5,500 temporary jobs at the peak of construction. These new jobs are anticipated to result in the formation of new households, increasing demand beyond the baseline forecast for both rental and for-sale housing in the region.

We made the following key assumptions to estimate the housing demand impact from the permanent and temporary employment generated by the data center:

- **Job to Household Formation Rate:** We assume that each permanent job results in 0.6 new permanent households. This accounts for scenarios in which multiple household members are employed at the facility, as well as roommate and family household arrangements. We assume that each temporary job results in 0.1 new permanent households. While most construction workers will leave the area after completion, this assumption allows for some permanent in-migration and household retention from the temporary workforce.
- **Homeownership Rate:** We applied the actual weighted average homeownership rate of Ouachita and Richland Parishes (59.8%) to the new households created by permanent employment. We applied a 10% homeownership rate to households formed from temporary jobholders, reflecting the short-term and transient nature of this population.
- **Age Distribution:** Newly formed households were distributed by age in proportion to current patterns in the area, excluding the youngest (under 25) and oldest (65+) cohorts to reflect anticipated profiles for this type of employment.
- **Income Distribution:** We allocated new households across income categories based on the expected salary structure at the Meta facility (average $88.6K), using the following assumptions:
  - $50K-$75K: 50% of jobs
  - $75K-$100K: 30%
  - $100K-$150K: 12%
  - $150K-$200K: 5%
  - $200K+: 3%

This methodology allows us to estimate the incremental housing demand generated by the Meta data center and differentiate that demand by renter vs. owner household, income bracket, and age cohort.

Source: US Census Bureau, ESRI, John Burns Research and Consulting, LLC

We outline four key considerations to effectively manage the rapid growth associated with the construction and operations of the Meta data center.

1

Mismatch Between Housing Supply and Expected Demand Segments. The new permanent and temporary jobs are concentrated in middle- and upper-income brackets ($50K–$150K+). However, much of the existing housing stock may be older, lower quality, or concentrated in lower price points, particularly for rentals. Ensuring that new supply aligns with expected demand (by income, tenure, and household size) will be critical to avoiding housing stress on existing households or missed economic opportunity.

2

Need for Near-Term Rental Housing Solutions. The influx of temporary construction workers (up to 5,500 at peak) and the early wave of Meta's full-time hires will initially skew housing demand toward rental product. Local planners should prepare for a short-term surge in rental demand including furnished rentals, RV parks, extended-stay hotels, and short-term leases, while also addressing permanent home demand ramping up in later years.

3

Pressure on Infrastructure and Land Use Policy. To meet this demand, new housing development will require land availability, zoning flexibility, and timely infrastructure investments (utilities, roads, etc.). Proactively identifying priority growth areas and streamlining permitting/zoning processes—especially for rental and workforce housing—can accelerate construction and ensure housing availability keeps pace with job growth.

4

Opportunities to Attract Broader Investment. Meta's presence signals long-term economic vitality and could attract additional employers, suppliers, and residents. A strategic housing response—especially one that includes attainable homeownership and quality rental stock—can help retain new households, stabilize population growth, and create a foundation for broader retail, healthcare, and service-sector expansion in the region.

While the region’s current rental market is supported by lower-income households, recent performance suggests a growing number of moderate-income households.

Multifamily Trends

Recent apartment demand is exceeding supply, leading to rising rents and occupancy rates.

- **Rents:** Effective rents in the market are up 1.6% YOY to $997, near all time highs.
- **Affordability**. Based on a standard 3X rent-to-income ratio, apartment renters need to earn about $36K annually.
- **Occupancy:** Apartment occupancy increased by 6.5 percentage points YOY to 96.2%, the highest levels in recent history.
- **Supply**: 349 new apartment units have been introduced to the market since 2020, 75 over the last year.
- **Demand:** 540 apartment units have been absorbed since 2020, 340 over the last year. Heightened demand could be related to the start of construction at the Meta data center.

Single-Family Rental Trends

Single-family rental fundamentals are improving in response to rising demand.

- **Rents:** Asking rents in Ouachita Parish increased 6.3% YOY to $1,311 and asking rents in Richland Parish increased 8.4% YOY to $1,301.
- **Affordability**. Based on a standard 3X rent-to-income ratio, SFR renters need to earn about $47K annually.
- **Occupancy.** SFR occupancy rates in Ouachita Parish have consistently exceeded 96.0% over the last few years and currently sit at 96.4%. SFR occupancy rates in Richland Parish have improved from 92.4% in March 2021 to 95.0% as of March 2025.
- **Supply**. There are 216 active SFR listings in Ouachita Parisha and 64 active SFR listings in Richland Parish.

Renter Profiles

Existing renter households skew towards younger residents with low to moderate incomes.

- **Income Distribution:** Nearly 60% of existing renter households earn less than $35K annually and do not qualify for a median-priced apartment in the market. Less than 11% of existing renter households earn $75K+ annually.
- **Age Distribution:** The largest renter household cohort is the 25-34 year olds, accounting for nearly a quarter of existing renter households in the market. The 55+ age groups include empty nesters and retirees, accounting for approximately one third of existing renter households.

Source; ESRI, RentRange, US Census, John Burns Research and Consulting LLC

We recommend an array of rental housing options to provide suitable housing solutions for renters of all ages and incomes.


Mobile Home Community

Mobile Homes

Mobile homes are ideal for temporary workers or cost-conscious renters. They offer simple, low-maintenance living with a detached feel—suited for short or long-term affordable housing. Their compact footprint makes them easy to deploy and attractive for solo or dual-occupant households.

Potential Rent Range

$800 - $1,200


Traditional Apartment Complex

Traditional Apartments

Conventional multifamily apartments serve the existing renter base well, offering familiar layouts and affordability, with strong appeal for long-term tenants. They efficiently deliver density and access to shared amenities without sacrificing value.

Potential Rent Range

$1,100 - $1,650


Horizontal Apartments

Horizontal Apartments (Cottages)

Detached or semi-detached rentals attract higher-income tenants seeking privacy, comfort, and a home-like feel—especially long-term workers tied to the area, such as the future Meta data center employees. These units often command premium rents over apartments.

Potential Rent Range

$1,400 - $2,000


Rowhome Community

Rowhomes

Rowhomes offer single-level units with private entrances that cater to retirees and empty nesters, blending ease of living with personal space and quiet surroundings. They are ideal for aging in place while maintaining flexibility for guests.

Potential Rent Range

$1,950 - $2,300

Source: JBREC Market Research

The resale market is heavily concentrated at affordable (<$250K) price points, but new homes are achieving higher prices up to $350K or more.

Resale Market

Resale activity is concentrated at affordable price points, catering to local buyers with low to moderate incomes.

- **Pricing:** The median existing home price over the last 12 months is $205K. Over two-thirds of resale volume occurred at price points below $250K.
- **Volume:** We identified 1,390 resale transactions over the last 12 months. We identified 496 active listings in the market (456 in Ouachita, 40 in Richland), implying 4.3 months of resale supply.
- **Home Sizes.** The median size of existing home sales over the last 12 months is 1,797 square feet. Over 60% of annual resale transactions were for homes between 1,000 and 2,000 square feet.

New Home Market

New homes are achieving higher prices but at much lower volumes.

- **Pricing:** The median new home price over the last 12 months is $258K. 72% of new home sales volume occurred at prices between $200K and $350K.
- **Volume:** We identified 122 new transactions over the last 12 months.
- **Home Sizes.** The median size of new home sales, based on available data from the last 12 months, is 1,762 square feet. Nearly 57% of new home transactions were for homes between 1,500 and 2,000 square feet.

Buyer Profiles

Younger buyers have a stronger preference for new homes compared to mature buyers.

- **Resale Buyer Profile:** Mature households (including retirees) account for 42% of resale demand, family buyers account for 39% of resale demand, and young singles/couples account for 18% of resale demand.
- **New Home Buyer Profile:** Family buyers account for 45% of new home demand, Mature households (including retirees) account for 36% of new home demand, and young singles/couples account for 19% of new home demand.

Source; ESRI, RentRange, US Census, John Burns Research and Consulting LLC

We recommend a range of for-sale options centered on affordability.

Townhome Community

Townhomes

Townhomes serve as an affordable ownership option, offering efficient layouts and reduced maintenance. With shared walls and compact footprints, these units provide a practical path to homeownership without sacrificing comfort or community connection.

Potential Base Price Range

$175K to $225K

Small Lot Single-Family

Small Lot Single-Family Detached Homes

Small lot single-family detached homes are designed for growing families who want the privacy of a standalone home at an attainable price point. Typical lot sizes for small lot single-family detached homes range from 40’- to 50’-wide homesites.

Potential Base Price Range

$240K to $390K

Estate Single-Family

Estate Single-Family Detached Homes

Larger estate homes cater to higher-income households, including professionals relocating for work opportunities like those at Meta. Typical lot sizes for estate home development range from 60’- to 100’-wide homesites.

Potential Base Price Range

$440K to $600K+

Source: Community Websites, JBREC Market Research

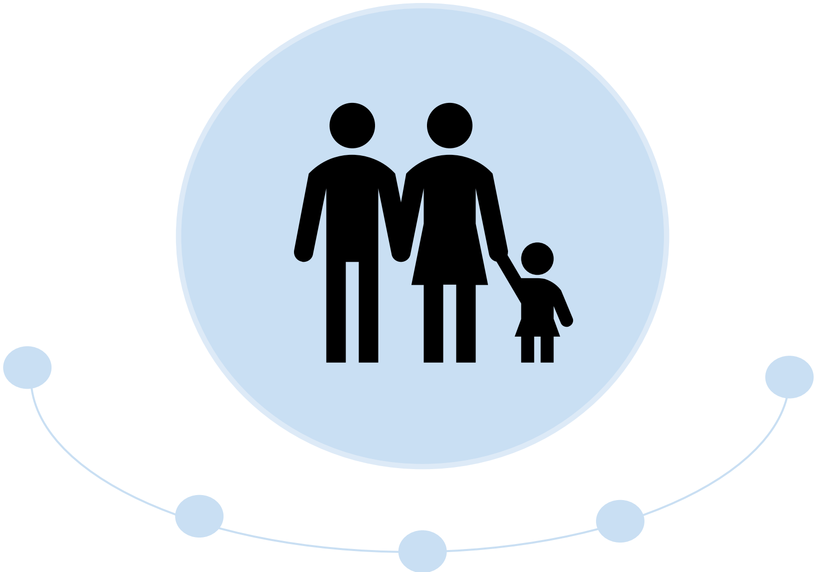
Regional demographic information reflects households with modest incomes and home values, where most residents have at least a high school education and a balanced mix of white- and blue-collar employment.

Population

179,636 Population

37.2 Median Age

2.46 Avg. Household Size



Housing

$208,814 Median Home Value

79,738 Total Housing Units

1982 Median Year Built

Employment

5.9% Unemployment Rate

59.1% White Collar

21.0% Blue Collar

19.9% Services

Income

Median Household Income	Per Capita Income	Median Net Worth
$47,121	$29,141	$84,782

Education

11.2% No High School Diploma

28.2% High School Graduate

28.0% Some College / Assoc. Degree

26.7% Bachelor's/Grad/Prof Degree

Source: ESRI (Combined data from Ouachita and Richland Parishes)

Our housing thesis (April 2025)

Our 2025 forecast

-1% new home sales and +1.0% new home price appreciation (net of incentives).

- We expect mortgage rates to average ~6.3% in 2025, marking another year of elevated rates, which will keep demand muted.
- Total inventory (new + resale) is rising, up +14% YOY, with the Sunbelt (FL/TX) seeing the largest gains.
- Larger builders are generally better positioned to handle continuing affordability headwinds, while smaller builders may face more constraints given slimmer margins and heavier competition.

Labor market

The labor market remains solid, but elevated rates and federal policy shifts will weigh on growth in 2025.

- Employment grew by 228K jobs in March, though labor market indicators are declining in most sectors due to economic uncertainty.
- Unemployment remains low at 4.2%, though slower immigration into 2025—driven by new policies affecting border security and deportation—will likely limit incremental job gains.
- We are wary of the potential impacts of federal staffing and spending cuts on the overall labor market. Federal workers, contractors, and grantees make up ~8% of the full-time labor force.
- We expect **+0.7%** job growth on average in 2025, down from **+1.3%** in 2024, reflecting softer hiring and capital expenditures due to shifts in immigration and trade policy.

Inflation and the Federal Reserve

Inflation remains above the Fed's 2% target, with bond markets pricing in increased inflation risk in 2025 and beyond.

- Inflation rose +2.4% YOY in March, but tariffs could complicate inflation calculations in the coming months.
- Housing still accounts for the bulk of YOY inflation but is normalizing. Housing inflation tracks rents closer than home prices due to measurement quirks, which should continue to put downward pressure on inflation in the coming months.
- Personal Consumption Expenditures (PCE), the Fed's preferred inflation gauge, is at +2.5%. Housing is a much smaller share of PCE relative to CPI.
- The 10-year Treasury yield spiked ~50bps in early April amid rising tariff concerns, though yields retreated a bit after a 90-day pause on some tariffs

Source: John Burns Research and Consulting, LLC (Pub: Apr-25)

Scenarios most likely to play out for the for-sale housing industry

New Homes

We forecast that single-family starts will fall -3% in 2025.

- Builders are lowering their starts, given elevated inventory levels (new and resale) in heavy homebuilding markets and the persistent affordability challenges of 6-7% mortgage rates.

The supply backdrop going into 2025 is much different than 2024.

- Resale supply has ticked up and is at or above 2019 levels in many markets, particularly those where homebuilders have a significant presence.
- New home supply is also near the highest level since 2007. This wasn't as much of an issue when existing inventory was low, but builders are now competing with significant new and resale supply.

-1% new home sales and +1.0% new home price appreciation (net of incentives)

- Builders will maintain their sales, likely via heavy incentive use, particularly in the Sunbelt (~75% of new home sales). Larger builders will outperform and may grow sales, while smaller private builders are more likely to see year-over-year sales declines.
- Tariffs could increase construction costs this year, but builders are more likely to absorb these costs rather than pass them on due buyers due to their lack of pricing power in today's market.
- Higher-income buyer cohorts will be sensitive to stock market declines, which could impact purchasing decisions in the move-up/luxury and empty nester/active adult segments.

Resale Market

We forecast resale sales will rise +3% to 4.2M in 2025 off a low base in 2024.

There is a floor to housing demand (and supply on the sell side) as households continue to purchase due to life stage changes. The lock-in effect is also slowly waning, which supports transaction volumes.

- Affordability will remain stretched as mortgage rates likely hold firm above 6% and spreads remain elevated. Sellers have also been reluctant to drop prices thus far, which is slowing transactions and causing inventory to build in some markets.

We expect **+2.2%** price appreciation in 2025 as still-elevated rates / the lock-in effect keep inventory low.

- We are watching for rates to dip below the ~5.5% range, though we don't expect this in the near term. The lock-in effect should have less influence on existing owners over time, thus introducing pent-up listings into the market—a headwind to resale price appreciation in some markets.
- Investors selling without increasing their purchasing activity would also add to the net supply, which we watch closely.

Source: John Burns Research and Consulting, LLC (Pub: Apr-25)

Scenarios most likely to play out for the rental housing industry

Apartments

We forecast that apartment rents will rise +1.5% in 2025.

- Strength in the economy/labor market should continue to fuel rental household formation in 2025, but rental demand relies on immigration more than the for-sale market.
  - We expect considerably lower levels of immigration in 2025, which will weigh on rent growth.
- Rent growth will vary considerably by market. Supply-side pressure will weigh on rent growth, particularly in Sunbelt markets where apartment construction has boomed this cycle.
  - These markets are at risk of rent declines, given elevated deliveries and more competition.

We forecast multifamily starts will fall -7% in 2025 to 330K.

- Construction pulled back significantly last year amid higher financing costs. Higher-for-longer rates in 2025 will likely keep apartment investors on the sidelines.
- Even if capital becomes more accessible, it will take time for multifamily construction to ramp up significantly.

Single-Family Rental (SFR)

We forecast that single-family rents will accelerate +3.0% YOY in 2025.

- Rapid monthly payment growth in the for-sale market has helped keep current SFR tenants in place who can no longer afford to buy.
  - The lock-in effect has also helped keep new SFR inventory low, supporting rent growth.
  - Capital seeking safety, yield, and inflation hedge may also help support SFR relative to for-sale housing.

  We are wary of potential SFR supply increases given rising for-sale inventory levels.
  - Greater for-sale supply is already resulting in greater SFR inventory as some sellers opt to list for rent instead.
  - Increases in SFR and build-to-rent (BTR) supply will weigh on rent growth in growing Sunbelt markets.

BTR construction and rent growth will lag behind multifamily recovery due to geographic concentration.

- Expect a slight decline in BTR starts as capital costs remain high and inventory rises in regions where the bulk of BTR construction is concentrated (Sunbelt).
- National BTR rent growth will likely lag behind national apartment rent growth in 2025 due to the geographic concentration of BTR.

Source: John Burns Research and Consulting, LLC (Pub: Apr-25)