

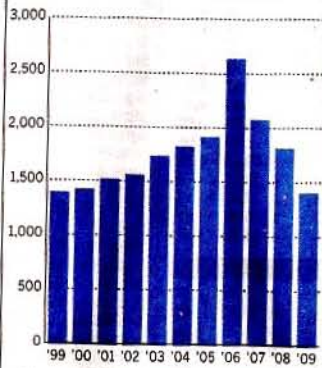
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Home sales

First-quarter home sales
in the Baton Rouge market



Source: Greater Baton Rouge
Association of Realtors

Advocate graphic

BR real estate workers encouraged

BY CHRIS GAUTREAU
Advocate business writer

March home sales in the Baton Rouge area fell 20 percent from a year ago, pushing the market to its lowest levels in a decade.

Nevertheless, attendees at an annual real estate conference in Baton Rouge on Thursday pointed to encouraging signs in the local market.

R. Kelley Pace, head of LSU's Real Estate Research Institute and an attendee of the annual

Trends event, said the lack of any big swings in median home prices and the falling average number of days homes stay on the market bode well.

"We're not seeing a lot of new products, but we are reaching equilibrium," Pace said.

Commercial mortgage banker Brian Andrews told Trend participants that, especially after GO Zone funding ended for Baton Rouge last year, commercial and retail projects require more dili-

gence, and developers must find multiple sources to finance their deals.

Dottie Tarleton, a commercial broker with **Stirling Properties** and another Trends presenter, said shopping-center development has practically stalled after many national retailers have "gone into a holding pattern."

Still, some sectors such as drugstores, fast-food chains,

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auto supply stores and dollar stores are expanding, she said, and overall, the local economy is relatively healthy.

Branon Pesnell, an associate broker with Beau Box Commercial Real Estate, said the office sector has returned to pre-Hurricane Katrina levels, "which is not a bad place to be."

Home sales figures tracked by the Greater Baton Rouge Association of Realtors show 580 homes changed hands last month compared with 729 a year ago.

March sales totaled \$112.5 million, or 30 percent lower than the year-ago period.

Through the first quarter, 1,414 homes were sold — near-

ly a 23 percent drop from the year-ago period and the slowest three-month start to any year since 1999, when 1,399 homes change hands.

The local market is made up of East and West Baton Rouge, East and West Feliciana, Livingston, Ascension, Iberville and Pointe Coupee parishes.

Monthly home sales figures have been falling since 2007 as the post-Hurricane Katrina boom period ended and recessionary fears combined with a larger slowdown in the national housing market.

In the market's three largest parishes during March:

■ 345 homes changed hands in East Baton Rouge, a 23 percent drop from March 2008. Those sales totaled \$69.4 million, or 34 percent off from last year.

■ Sales fell 18 percent in Ascension to 103. The \$22.1 million in sales marked an 18 percent decline.

■ Livingston Parish sales totaled 89 homes, a decline of 20 percent from a year ago. The \$14.8 million in sales was off by 27 percent.

In the remaining parishes, the 43 sales were down by three from 2008. Sales volume fell 30 percent to \$6.2 million.

There were some brighter notes, however. Inventory figures, which ballooned after Hurricane Gustav in September, fell to healthier levels.

The March report showed 7.3 months of supply compared to the post-Gustav peak of 11.5 in November.

The median home price — the point at which half of all home sales are higher and half are

lower — was \$168,250. That was up slightly from February and the best showing since October.

Also, sales prices held steady at about 97 percent of list prices, another healthy sign. And the average number of days on the market fell to 98 from 111 in February.

Andrews, the commercial mortgage banker, offered a mixed bag of news.

Refinancing might start increasing, he said, which would benefit consumer spending. But tighter lending rules are still dampening residential sales overall, while other factors show interest rates could start heading higher.

"They almost have to," said Bill Blackwood, vice president of Citizen's Bank & Trust. "Really, the question is when, because we're at an all-time low."