

**Dear Subscribers:**

**In May of last year our Acadiana housing market was mired in confusion and uncertainty amid the COVID-19 shut down and shut-in. Home sales reported for the month had improved from April's bottom, but still lagged May 2019's monthly sales tally by some 28%. Active listings throughout Acadiana were down from 2019 by nearly 28%, but there were still 2,136 listings on the market with a 5 month supply of product overall. In Lafayette Parish home sales were down by over 29% for May 2020, but cumulatively for the first five months of the year, they were only off by 2% and with 1,166 active listings on the market as of May 31<sup>st</sup>, buyers who were willing to venture into the house buying arena enjoyed a 4.3 month supply of product to select from.**

**What a difference twelve months has brought to our market!**

**May 2021's reported home sales for the Acadiana region were up 57% from last May and cumulatively are up nearly 36% year-to-date while the number of active listings on the market as of May 31, 2021 stood at a record low of 887 homes with a 1.5 months overall supply of homes relative to the average monthly sales demand. In Lafayette Parish May's 442 sales bested May of last year by over 67% and the 1,940 sales reported through the first five months of 2021 are up 42% from the same period in 2020. The number of active listings on the market as of May 31<sup>st</sup> was also at record low with only 453 homes in all price ranges available for sale. Based on the average monthly sales tallied, there was a 1.2 month supply of inventory for buyers to choose from. The current market conditions has left many would-be buyers frustrated at the lack of selection of homes, the frequency of multiple offer situations resulting in bidding frenzies where thousands of dollars above list price are being offered.**

**This is not just an anomaly to our marketplace, it's happening all over our nation and it's got a lot of pundits writing and talking about an impending housing bubble that is about to burst leaving markets in chaos and home values in freefall. Is that possible? Yes. Is it probable? No. Based upon our market as well as national numbers, here, in my opinion, is why:**

- Total regional closed sales reported for May, while up 57% from last May, actually fell from last month by over 8%. In Lafayette Parish, they fell by 5.56% from April to May. It appears that April could be the peak of our nearly year-long run up in demand. This possibility is buttressed when one looks at the number of pending sales tallied in May, especially in Lafayette Parish where pending sales have fallen for the past two months with the April-May drop currently being 4.7% and likely to increase as May's pending sales are adjusted downward in subsequent weeks for deals that fall through.**

- **New listings reported over the past three months have exceeded last year's respective monthly totals both regionally and in Lafayette Parish and the cumulative total of new listings reported for the first five months are up over 6% throughout Acadiana and up nearly 12.5% in Lafayette Parish. Looking back over the past five years in Lafayette Parish, only 2018 had more new listings reported for the first five months of the year than 2021. Our market shortage is not being caused by a lack of supply; it has been caused by an unprecedented wave of demand. What's caused this surge in demand? In my opinion there are two primarily reasons: demographics and interest rates. The post-baby boom generations are now mature and, while, heretofore, more sluggish in their entry into home ownership, are now entering the market in droves. Their incentive is our current low interest rate environment. The increased demand has resulted in a constrained inventory which has driven up prices. The average sale price regionally is up over 14% in the past 12 months and up 10.5% in Lafayette Parish. That type of increase is negating the impact of our low interest rate environment and will lead to demand diminishment as would-be buyers are priced out of the market. One more often overlooked demographic influence is the baby boom generation, ages 55-75, which comprise 22% of the U.S. population but own an estimated 40% of homes nationwide. A growing percentage of these boomers are going to be adding inventory to our housing market in increasing numbers as health and mortality impact their ability to remain in their homes.**
- **Finally, although we've been blessed with a low interest rate environment for over a decade, this cannot and will not last forever. As inflationary pressures continue to mount, at some point the Federal Reserve Bank will have to shift their policy making from an economic growth concentration to one of ensuring that inflationary influences are muted. Raising interest rates and lessening their purchases of mortgage backed securities will likely be their first line of defense. Inevitably, interest rates will rise.**

**All of the above mentioned are either current or future indicators that the demand driven air that has inflated our housing bubble will begin to ease and will lead to a market correction. Whether it is a mild sustainable correction or a chaotic crash depends upon how rapid and significant these influences occur. My 50 years in this business leads me to be more optimistic than pessimistic. Enjoy the market, but put some hay in the barn just in case.**

**William "Bill" Bacque**

*President / Broker*

337-288-4242 Mobile  
Bill@MarketScopeConsulting.com  
Market Scope Consulting, LLC  
107 Souvenir Gate  
Lafayette, LA 70501  
Licensed in Louisiana

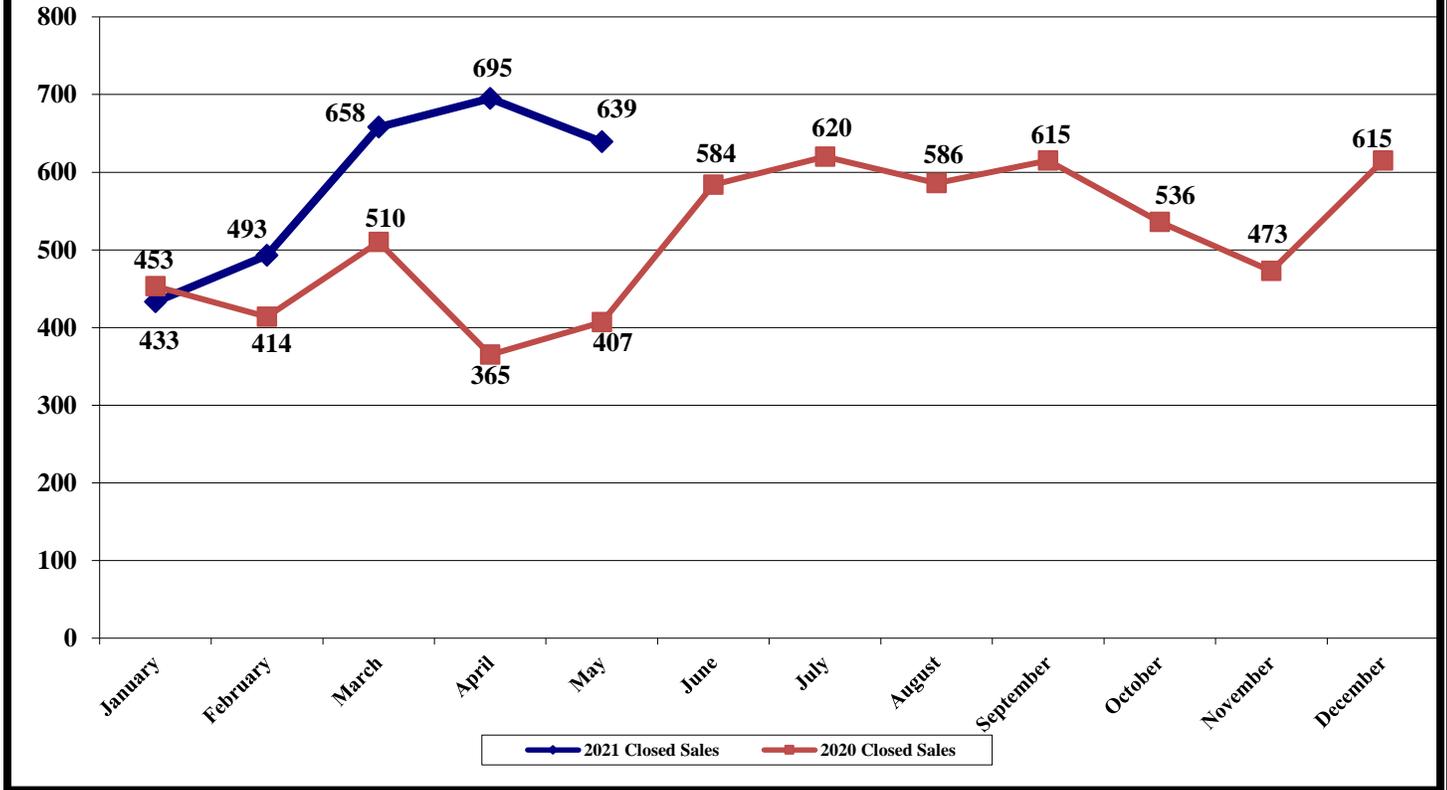


# **The Acadiana Residential Real Estate Market Report**

**January – May 2021**

This representation is based in whole or in part on data supplied by the REALTOR Association of Acadiana Multiple Listing Service. Neither the Board nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Board may not reflect all real estate activity in the marketplace.

**Closed Residential Sales Reported to MLS**  
 All "GEO" Areas/Parishes  
 January - May 2021 vs 2020



**ALL "GEO" AREAS/PARISHES**  
 (Includes areas outside Lafayette Parish)

Outside Lafayette Parish

May '21: 197  
 May '20: 143  
 (% chg: +37.76%)

**Number of Closed Home Sales Reported to MLS, May 2021: 639**  
**Number of Closed Home Sales Reported to MLS, May 2020: 407**  
 (% change for May: +57.00%)

(% change from April 2021: -08.06%)

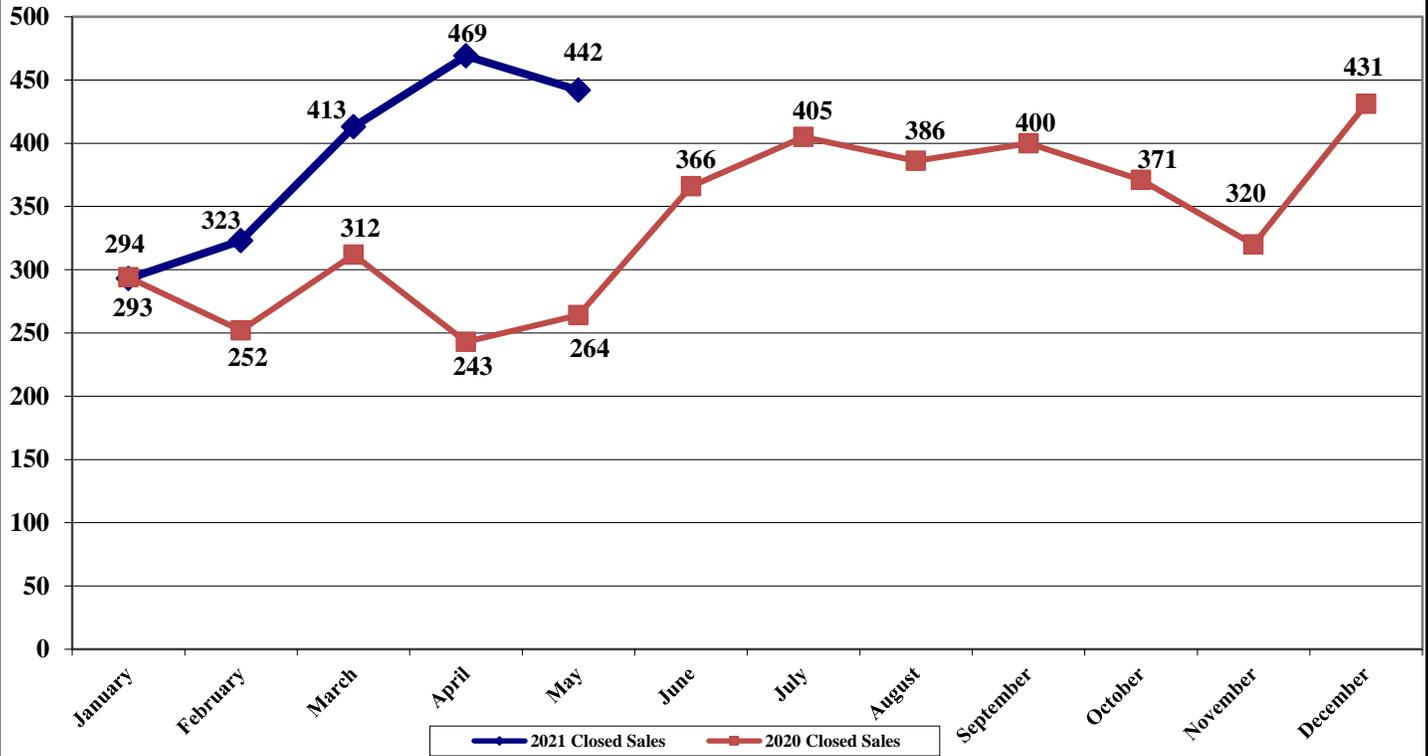
'21: 976  
 '20: 784  
 (% chg: +24.49%)

**Cumulative total, January – May 2021: 2,916**  
**Cumulative total, January – May 2020: 2,149**  
 (% cumulative change: +35.69%)

**Average Days on Market, January - May 2021: 58**  
**Average Days on Market, January - May 2020: 93**  
 (Change for January - May: -35 days)

<u>Current Sales Compared to Past Years:</u> (2021 sales outside Lafayette Parish as compared to prior year's sales)	<u>2014</u> 637 +53.22%	<u>2015</u> 607 +60.79%	<u>2016</u> 657 +48.55%	<u>2017</u> 729 +33.88%	<u>2018</u> 732 +33.33%	<u>2019</u> 874 +11.67%
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**Closed Residential Sales Reported to MLS**  
**Lafayette Parish Only**  
**January - May 2021 vs. 2020**



**LAFAYETTE PARISH**  
**(Excludes "GEO" areas outside Lafayette Parish)**

<u>New Const.</u>	<u>Re-sales</u>
5/21: 92	350
5/20: 74	190
+24.32%	+84.21%

**Number of Closed Home Sales Reported to MLS, May: 2021: 442**  
**Number of Closed Home Sales Reported to MLS, May: 2020: 264**  
**(% change for May: +67.42%)**

**(% change from April 2021: -05.76%)**

<u>New Const.</u>	<u>Re-sales</u>
'21: 477	1,463
'20: 325	1,040
+46.77%	+40.67%

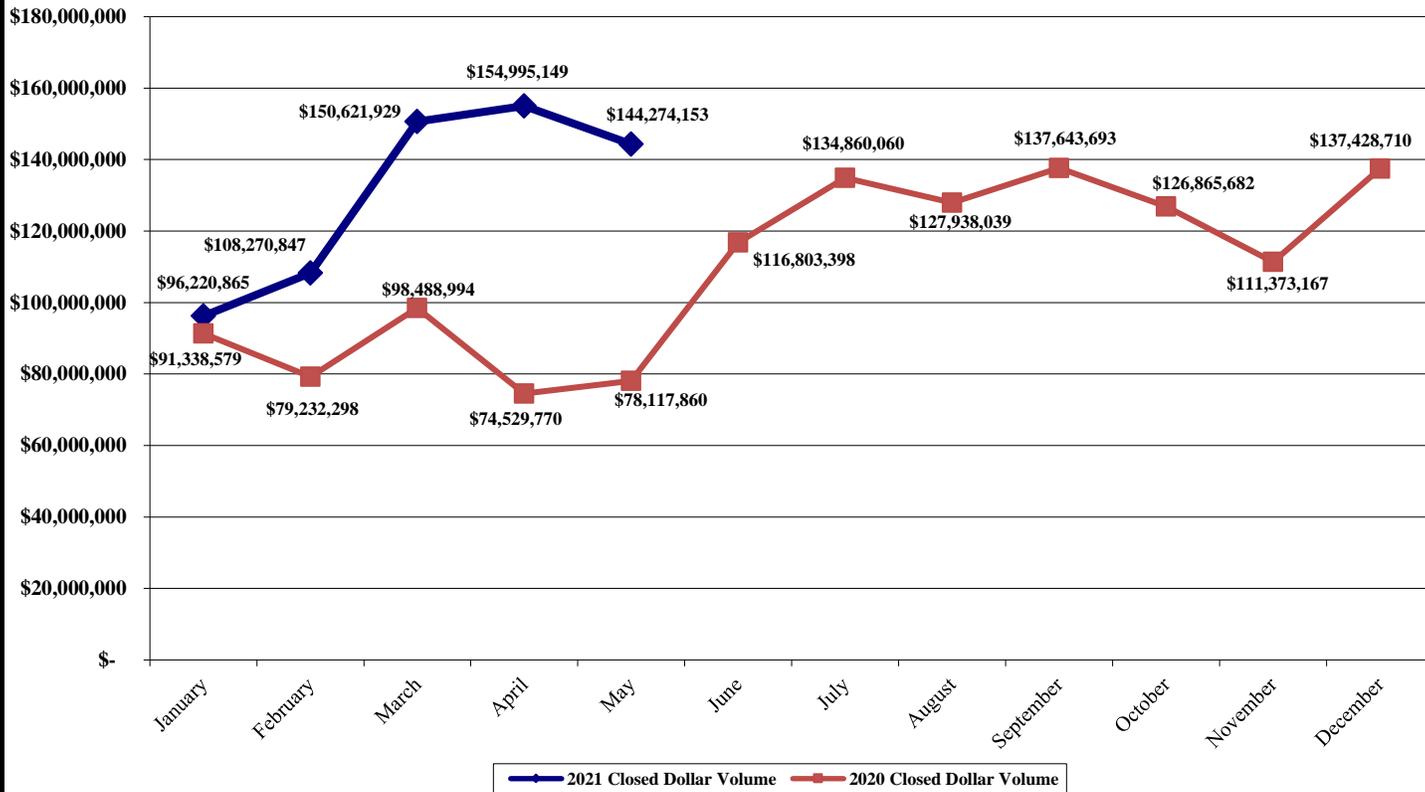
**Cumulative total, January – May 2021: 1,940**  
**Cumulative total, January – May 2020: 1,365**  
**(% cumulative change: +42.12%)**

'21: 57 days	44 days
'20: 113 days	79 days
-56 days	-35 days

**Average Days on Market, January – May 2021: 47**  
**Average Days on Market, January – May 2020: 89**  
**(Change for January - May: -42 days)**

<u>Current Sales Compared to Past Years:</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
(2021 Lafayette Parish sales as compared to prior year's sales)	942	966	905	986	1,002	1,022
	+105.94%	+100.83%	+114.36%	+96.75%	+93.61%	+89.82%

## Dollar Volume of Closed Sales Reported to MLS All "GEO" Areas/Parishes January - May 2021 vs. 2020



### ALL "GEO" AREAS/PARISHES (Includes "GEO" areas outside of Lafayette Parish)

#### Outside Laf. Parish

5/21: \$ 31,907,968  
5/20: \$ 19,755,483  
(% chg.: +61.51%)

Dollar Volume of Closed Residential Sales, May 2021: \$144,274,153  
Dollar Volume of Closed Residential Sales, May 2020: \$ 78,117,860  
(% change for May: +84.69%)

(% change from April 2021: -06.92%)

'21: \$166,836,525  
'20: \$111,387,326  
(% chg.: +49.78%)

Cumulative total January - May 2021: \$654,382,943  
Cumulative total January - May 2020: \$421,707,501  
(% cumulative change: +55.17%)

'21: \$170,939  
'20: \$142,076  
(% chg: +20.32%)

Average Sale Price, January - May 2021: \$224,257  
Average Sale Price, January - May 2020: \$196,234  
(% change in Average Sale Price: +14.28%)

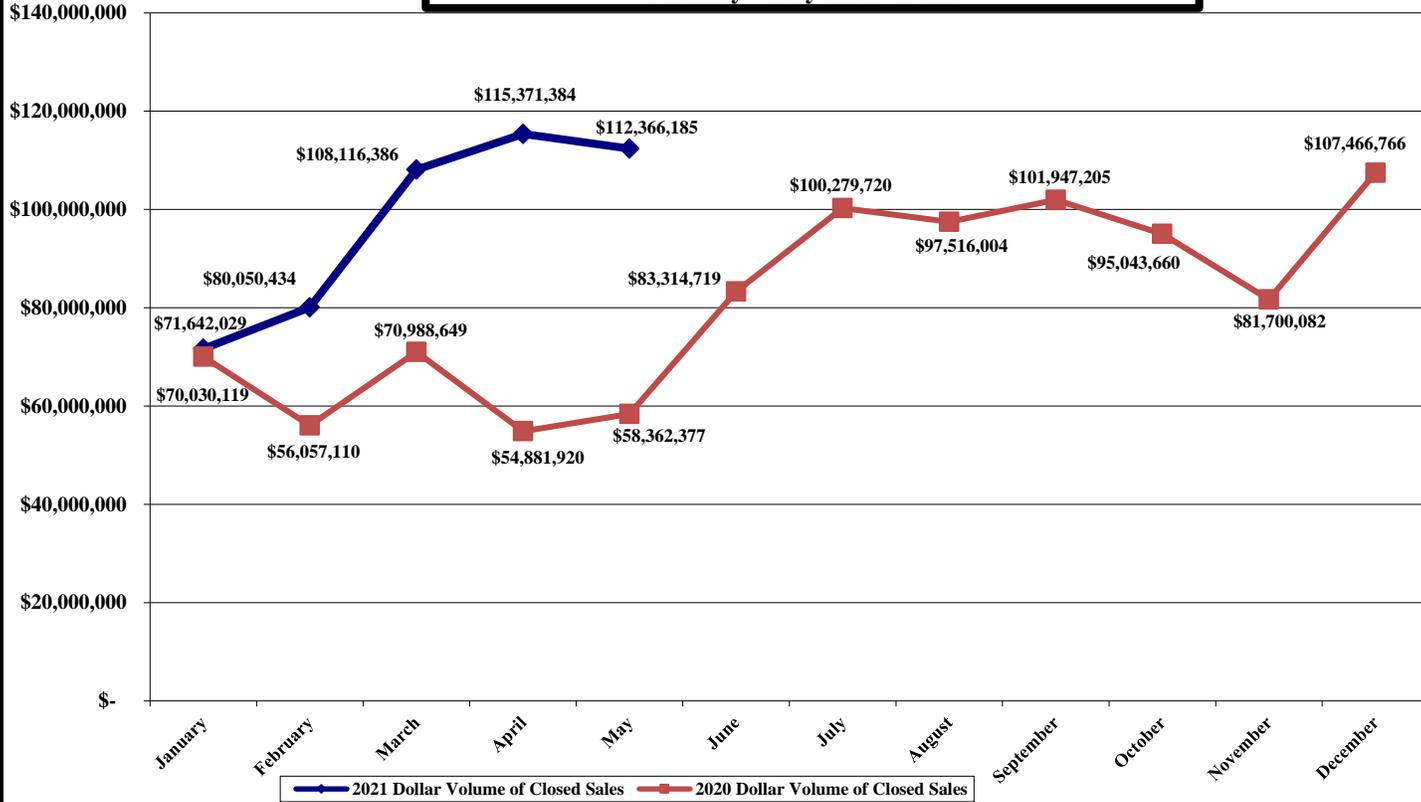
Median Sold Price, January - May 2021: \$201,125  
Median Sold Price, January - May 2020: \$180,000  
(% change in Median Sold Price: +11.74%)

% of List Price to Sale Price, January - May 2021: 97.91%  
% of List Price to Sale Price, January - May 2020: 97.07%

<u>Current \$ vol. compared to past years:</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
(2021 \$ vol. outside Lafayette Parish as compared to past years.)	\$86,337,386	\$83,323,173	\$86,255,080	\$94,797,610	\$95,016,693	\$123,598,866
	+93.24%	+100.23%	+93.42%	+75.99%	+75.59%	+34.98%

## Dollar Volume of Closed Residential Sales

**Lafayette Parish Only**  
January - May 2021 vs. 2020



### LAFAYETTE PARISH

(Excludes "GEO" areas outside of Lafayette Parish)

<u>New Const.</u>	<u>Re-sales</u>
5/21: \$23,408,741	\$88,957,444
5/20: \$19,225,978	\$39,136,399
+21.76%	+127.30%

Dollar Volume of Closed Residential Sales, May 2021: \$ 112,366,185  
 Dollar Volume of Closed Residential Sales, May 2020: \$ 58,362,377  
 (% change for May: +92.53%)

<u>New Const.</u>	<u>Re-sales</u>
'21: \$123,176,889	\$364,369,529
'20: \$ 85,734,577	\$224,585,598
+43.67%	+62.24%

(% change from April 2021: -02.60%)

Cumulative total January – May 2021: \$487,546,418  
 Cumulative total January – May 2020: \$310,320,175  
 (% cumulative change: +57.11%)

'21: \$258,232	\$249,056
'20: \$263,798	\$215,947
-02.11%	+15.33%

Average Sale Price, January - May 2021: \$251,312  
 Average Sale Price, January - May 2020: \$227,340  
 (% change in Average Sale Price: +10.54%)

'21: \$229,050	\$210,000
'20: \$220,185	\$185,600
+04.03%	+13.15%

Median Sold Price, January – May 2021: \$218,000  
 Median Sold Price, January – May 2020: \$197,000  
 (% change in Median Sold Price: +10.66%)

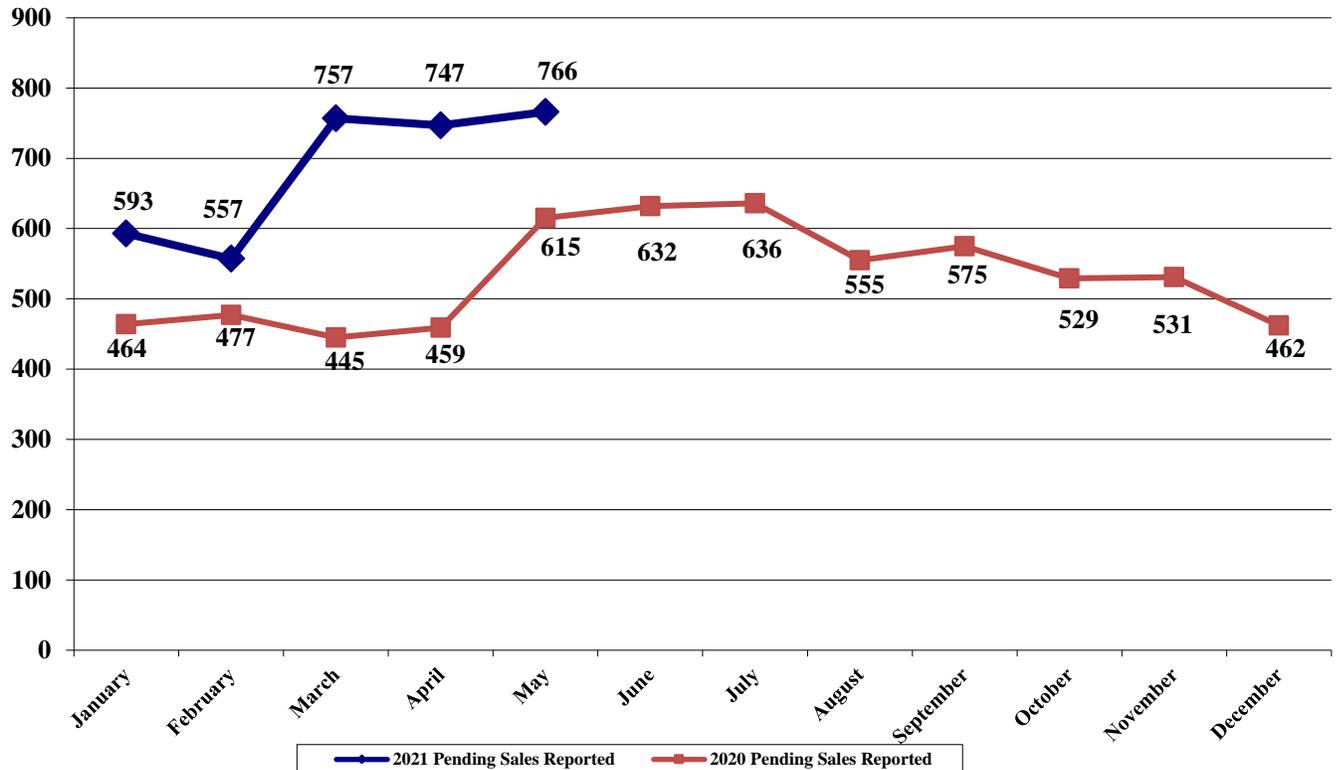
'21: 100.00%	97.86%
'20: 99.46%	96.81%

% of List Price to Sale Price, January - May 2021: 98.39%  
 % of List Price to Sale Price, January - May 2020: 97.52%

Current Sales Compared to Past Years:  
 (2021 Lafayette Parish dollar volume  
 as compared to prior years)

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$272,969,753	\$291,624,280	\$264,487,570	\$276,507,679	\$311,029,042	\$311,872,000
+78.61%	+67.18%	+84.34%	+76.32%	+56.75%	+56.33%

**Pending Residential Sales Reported to MLS**  
**All "GEO" Areas/Parishes**  
**January - May 2021 vs. 2020**



**ALL "GEO" AREAS/PARISHES**  
**(Includes "GEO" areas outside of Lafayette Parish)**

*Pending sales as of June 8, 2021*

**Outside Lafayette Parish**

**May '21: 279**  
**May '20: 219**  
**(% chg: +27.40%)**

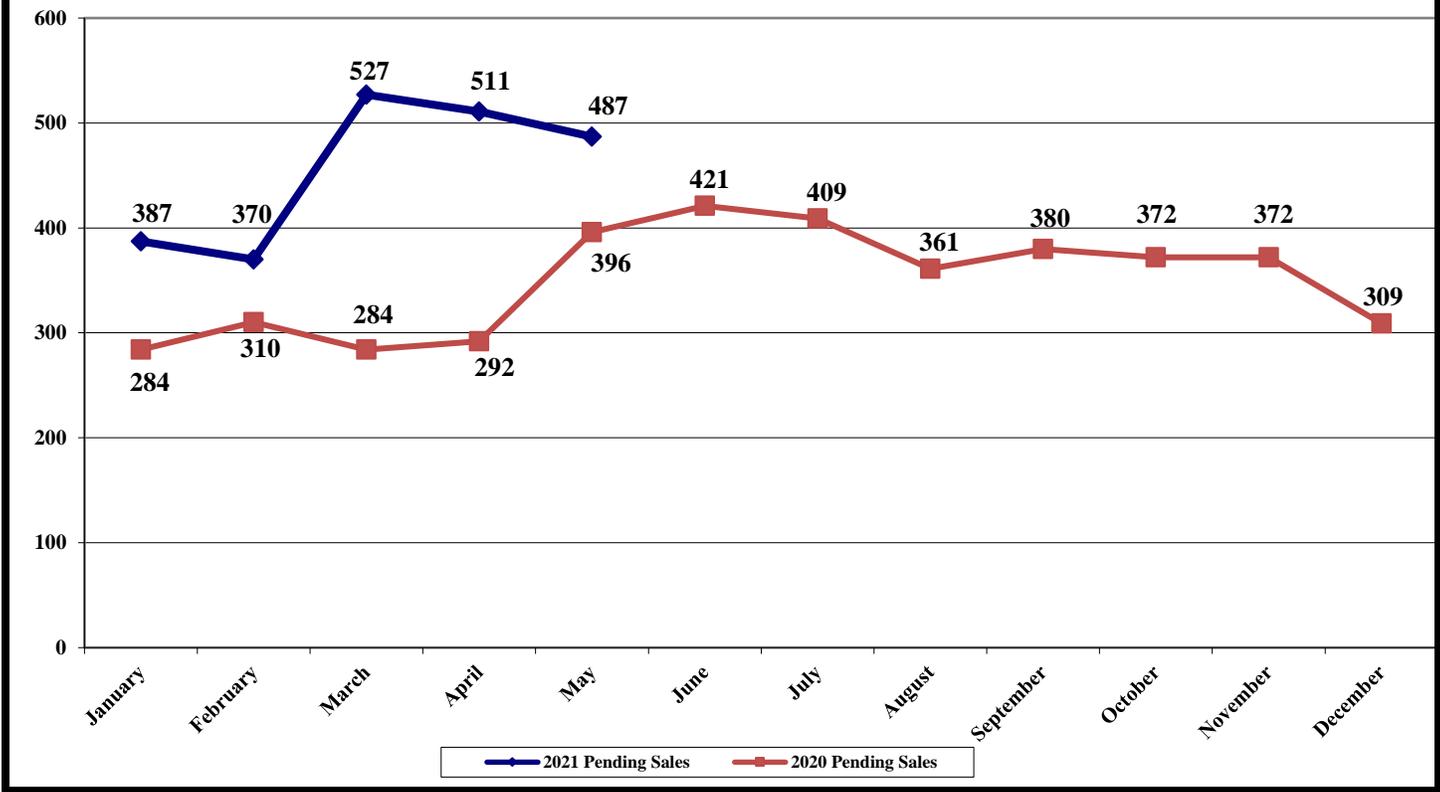
**'21: 1,138**  
**'20: 894**  
**(% chg: +27.29%)**

**Number of Pending Home Sales Reported to MLS, May 2021: 766**  
**Number of Pending Home Sales Reported to MLS, May 2020: 615**  
**(% change for May: +24.55%)**

**(% change from April 2021: +02.54%)**

**Cumulative total, January – May 2021: 3,420**  
**Cumulative total, January – May 2020: 2,460**  
**(% cumulative change: +39.02%)**

**Pending Residential Sales Reported to MLS**  
**Lafayette Parish Only**  
**January - May 2021 vs. 2020**



**LAFAYETTE PARISH**  
**(Excludes "GEO" areas outside of Lafayette Parish)**

*Pending sales as of June 8, 2021*

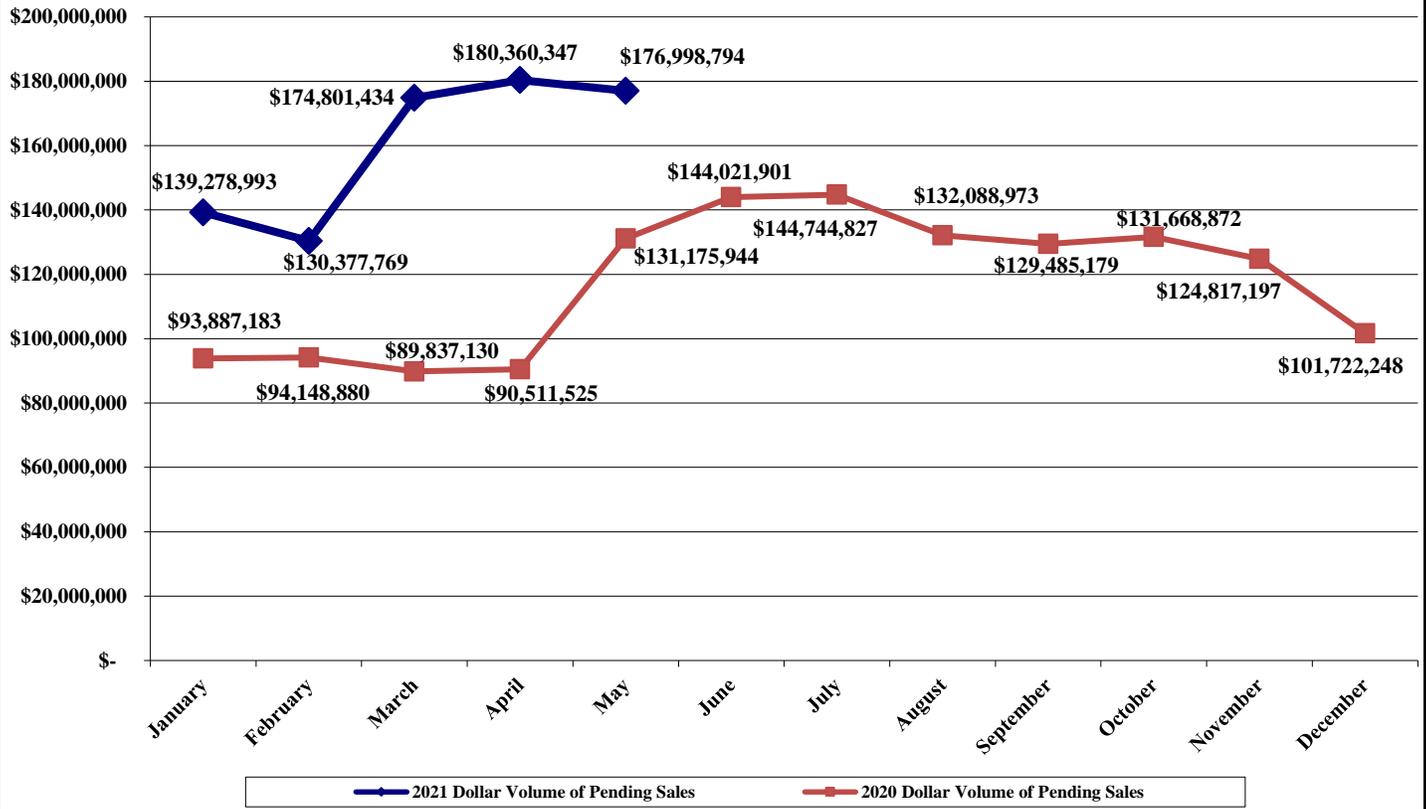
<u>New Const.</u>	<u>Re-sales</u>
5/21: 106	381
5/20: 99	297
+07.07%	+28.28%

**Number of Pending Home Sales Reported to MLS, May 2021: 487**  
**Number of Pending Home Sales Reported to MLS, May 2020: 396**  
 (% change for May: +22.98%)  
 (% change from April 2021: -04.70%)

<u>New Const.</u>	<u>Re-sales</u>
'21: 615	1,667
'20: 376	1,190
+63.56%	+40.08%

**Cumulative total, January – April 2021: 2,282**  
**Cumulative total, January – April 2020: 1,566**  
 (% cumulative change: +45.72%)

**Dollar Volume of Pending Residential Sales Reported to MLS**  
**All "GEO" Areas/Parishes**  
**January - May 2021 vs 2020**



**ALL "GEO" AREAS/PARISHES**  
**(Includes "GEO" areas outside of Lafayette Parish)**

*Pending sale dollar volume as of June 8, 2021*

**Dollar Volume of Pending Home Sales, May 2021: \$176,998,794**

**Dollar Volume of Pending Home Sales, May 2020: \$131,175,944**

**(% change for May: +34.93%)**

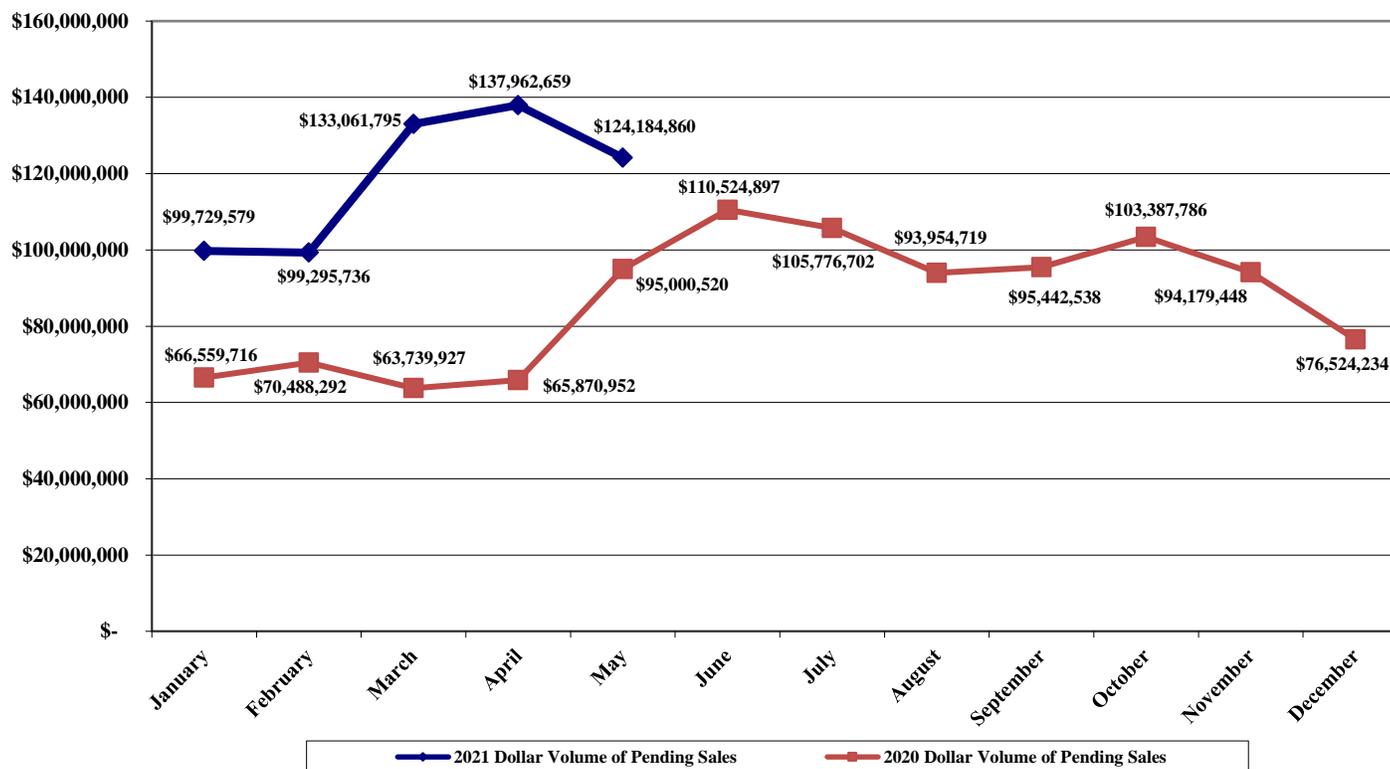
**(% change from April 2021: -01.90%)**

**Cumulative total, January – May 2021: \$801,817,337**

**Cumulative total, January – May 2020: \$499,560,662**

**(% cumulative change: +60.50%)**

**Dollar Volume of Pending Residential Sales**  
**Lafayette Parish Only**  
**January - May 2021 vs 2020**



**LAFAYETTE PARISH**  
**(Excludes “GEO” areas outside of Lafayette Parish)**

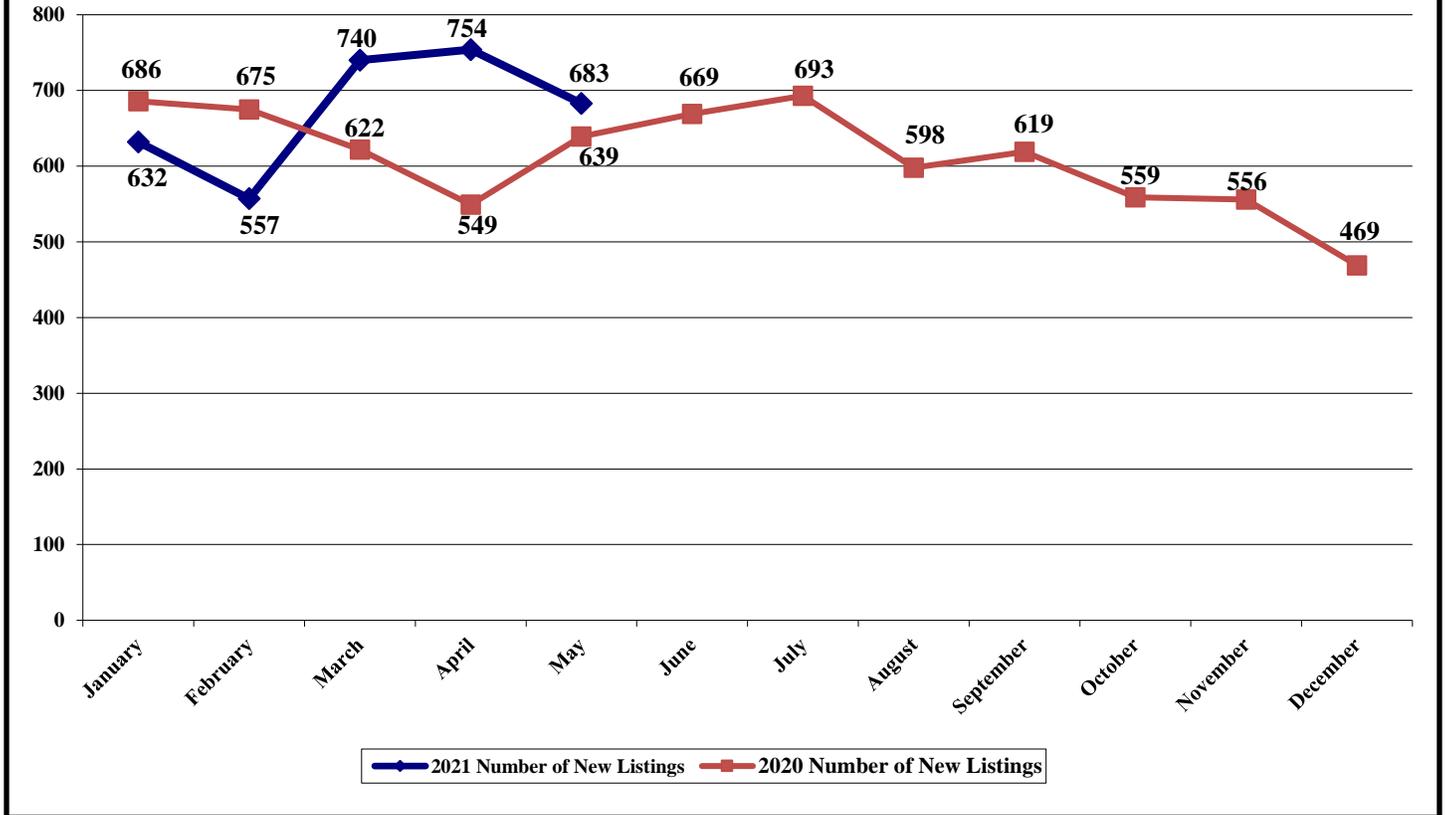
*Pending sale dollar volume as of June 8, 2021*

**Dollar Volume of Pending Home Sales, May 2021: \$124,184,860**  
**Dollar Volume of Pending Home Sales, May 2020: \$ 95,000,520**  
**(% change for May: +30.72%)**

**(% change from April 2021: -11.09%)**

**Cumulative total, January – May 2021: \$594,234,629**  
**Cumulative total, January – May 2020: \$361,659,407**  
**(% cumulative change: +64.31%)**

**Number of New Residential Listings Reported to MLS**  
 All "GEO" Areas/Parishes  
 January - May 2021 vs. 2020



**ALL "GEO" AREAS/PARISHES**  
 (Includes "GEO" areas outside of Lafayette Parish)

Outside Lafayette Parish

*New listing count as of June 8, 2021*

May '21: 214  
 May '20: 206  
 (% chg: +03.88%)

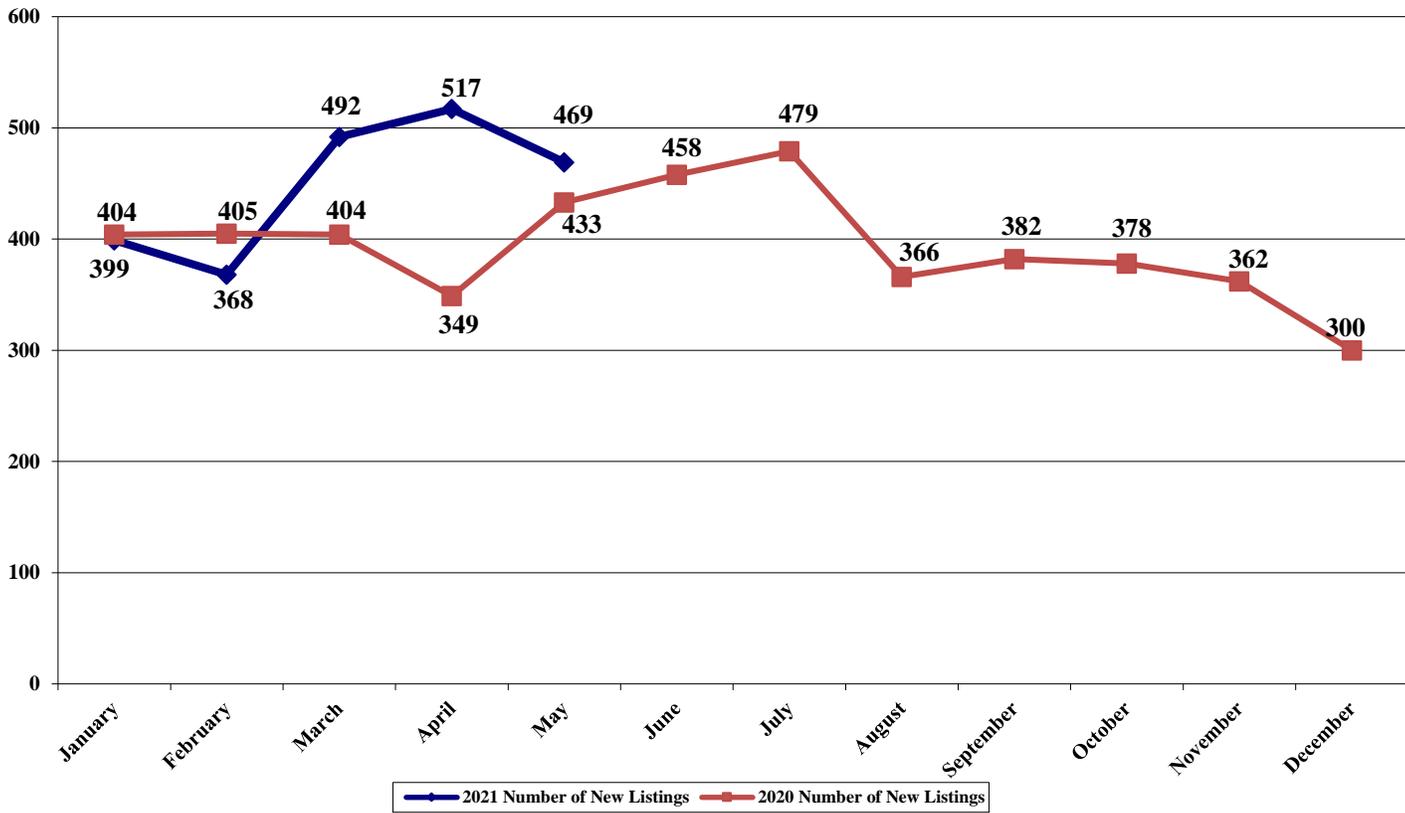
**Number of New Residential Listings Reported to MLS, May 2021: 683**  
**Number of New Residential Listings Reported to MLS, May 2020: 639**  
 (% change for May: +06.89%)

(% change from April 2021: -09.42%)

'21: 1,121  
 '20: 1,177  
 (% chg: -04.76%)

**Cumulative total, January – May 2021: 3,366**  
**Cumulative total, January – May 2020: 3,173**  
 (% cumulative change: +06.08%)

**Number of New Residential Listings Reported to MLS**  
**Lafayette Parish Only**  
**January - May 2021 vs. 2020**



**LAFAYETTE PARISH**  
**(Excludes “GEO” areas outside of Lafayette Parish)**

*New listing count as of June 8, 2021*

<u>New Const.</u>	<u>Re-sales</u>
5/21: 82	387
5/20: 118	315
-30.51%	+22.86%

**Number of New Residential Listings Reported to MLS, May 2021: 469**  
**Number of New Residential Listings Reported to MLS, May 2020: 433**  
**(% change for May: +08.31%)**

**(% change from April 2021: -09.28%)**

'21: 538	1,707
'20: 444	1,552
+21.17%	+09.99%

**Cumulative total, January – May 2021:2,245**  
**Cumulative total, January – May 2020:1,996**  
**(% cumulative change: +12.47%)**

<u>Comparison to Past Years:</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
#New Listings Taken	1,838	1,956	2,075	2,194	2,389	2,098	1,996	2,245
# Sold	1,255	1,290	1,196	1,303	1,373	1,394	1,365	1,940
Ratio: New Listings/Sold	1.46:1	1.52:1	1.73:1	1.68:1	1.74:1	1.51:1	1.46:1	1.15:1
2021 % +/- over	+22.14%	+14.78%	+08.19%	+02.32%	-06.03%	+07.01%	+12.47%	